



ZAMBIA  
DEVELOPMENT  
AGENCY

potential made possible



# Annual Report 2021







# Table of Contents

<b>Acronyms</b>	v
<b>Foreword By Permanent Secretary</b>	vii
<b>Director General's Acknowledgement</b>	ix
<b>Corporate Governance</b>	x
<b>Executive Summary</b>	1
<b>Introduction</b>	3
About the ZDA	3
<b>Economic Overview</b>	8
<b>Operational And Performance Review</b>	10
<b>Development Of Micro, Small And Medium Enterprises</b>	11
Key Interventions aimed at Developing Micro, Small and Medium Enterprises	12
<b>Investment Promotion And Facilitation</b>	13
Key Interventions aimed at Investment Promotion and Facilitation	18
<b>Export Facilitation And Market Development</b>	20
Key Interventions aimed at Export Promotion and Market Development	22
<b>Research, Policy Advocacy And Stakeholder Engagement</b>	24
Research	24
Policy Advocacy	25
Stakeholder Collaboration	26
<b>Public Relations And Communication</b>	28
<b>Success Stories - Case For Impact Investment</b>	30
<b>Towards Service Excellence</b>	32
<b>Our People – Our Assets Our People – Our Assets</b>	33
Capacity Building	33
Health and Wellness Event	33
Team Building	34
<b>Outlook For 2022</b>	35
<b>Appendix 1: Monitoring And Evaluation Result Framework</b>	37
<b>Appendix 2: Zambias International Rankings</b>	42
<b>Appendix 3: Audited Financial Statements</b>	44



## List of Tables

<b>Table 1:</b> Trends in Number of MSMEs supported with BDS, 2017 – 2021	5
<b>Table 2:</b> Interventions aimed at Developing Micro, Small and Medium Enterprises	9
<b>Table 3:</b> Top 10 High Value Registered Investment Projects by Sector, 2021	12
<b>Table 4:</b> Operational Status of MFEZs/IPs	15
<b>Table 5:</b> Interventions aimed at Investment Promotion	16
<b>Table 6:</b> Interventions aimed at Export and Market Development	22
<b>Table 7:</b> Summary of Papers and Outcomes, 2021	24
<b>Table 8:</b> MOUs and SLAs Executed	26
<b>Table 9:</b> Interventions aimed at Increasing Agency's Visibility	27
<b>Table 10:</b> Human Capital Training and Development	30

## List of Figures

<b>Figure 1:</b> Trends in Number of MSMEs supported with BDS, 2017 – 2021	7
<b>Figure 2:</b> MSMEs Supported and Employment Created 2021 - 2020	7
<b>Figure 3:</b> MSME Business Formalization by Sector in 2021 – 2020	8
<b>Figure 4:</b> MSMEs Supported by Ownership, 2021	8
<b>Figure 5:</b> Value of Registered Investment by Type, 2021 - 2020	10
<b>Figure 6:</b> Trends in Registered Projected Investment, 2017 – 2021	11
<b>Figure 7:</b> Sectorial Contribution to Projected Investment in 2021 – 2020	11
<b>Figure 8:</b> Sector Contribution to Projected Employment in 2021 – 2020	12
<b>Figure 9:</b> Actualised Investment by Sector in 2021 – 2020	13
<b>Figure 10:</b> Actualised Employment by Sector, 2021 - 2020	14
<b>Figure 11:</b> Zambia's Export Composition, 2017 - 2021	18
<b>Figure 12:</b> Sectorial Contribution to NTEs in 2021	19
<b>Figure 13:</b> Top 5 NTE Export Markets, 2021 - 2020	20
<b>Figure 14:</b> Total Export Performance by Market Bloc 2021 -2020	21



# Acronyms

<b>7NDP</b>	Seventh National Development Plan	<b>MSME</b>	Micro, Small and Medium Enterprises
<b>8NDP</b>	Eighth National Development Plan	<b>NGOs</b>	Non-Governmental Organizations
<b>AfCFTA</b>	African Continental Free Trade Area	<b>NTBs</b>	Non-Tariff Barriers
<b>AGS</b>	Accelerated Growth for SMEs	<b>NTEs</b>	Non-Traditional Exports
<b>B2B</b>	Business 2 Business	<b>ROW</b>	Rest of the World
<b>B2G</b>	Business 2 Government	<b>SADC</b>	Southern African Development Community
<b>BDS</b>	Business Development Services	<b>SD</b>	Selective Default Credit Rating
<b>BIMI</b>	Business Intelligence and Market Information	<b>SDGs</b>	Sustainable Development Goals
<b>BOZ</b>	Bank of Zambia	<b>S&amp;P</b>	Standard & Poor's Credit Rating Guide
<b>COMESA</b>	Common Market for Eastern and Southern Africa	<b>SLAs</b>	Service Level Agreements
<b>COR</b>	Certificate of Registration	<b>SSA</b>	Sub Saharan Africa
<b>COVID -19</b>	Corona Virus Disease 2019	<b>TFO</b>	Trade Facilitation Office
<b>CRM</b>	Customer Relationship Management	<b>UAE</b>	United Arab Emirates
<b>CSS</b>	Customer Satisfaction Survey	<b>UK</b>	United Kingdom
<b>CSR</b>	Corporate Social Responsibility	<b>UN</b>	United Nations
<b>DDI</b>	Domestic Direct Investment	<b>UNCTAD</b>	United Nations Conference on Trade and Development
<b>DRC</b>	Congo, Democratic Republic	<b>UNDP</b>	United Nations Development Program
<b>EMPRETEC</b>	Emprendedores (entrepreneurs) and Tecnologia (technology)	<b>UNIDO</b>	United Nations Industrial Development Organization
<b>EPM</b>	Enterprise Performance Monitoring	<b>USAID</b>	United States Agency for International Development
<b>EU</b>	European Union	<b>USD</b>	United States Dollars
<b>FDI</b>	Foreign Direct Investment	<b>VAT</b>	Value Added Tax
<b>FPI-IP</b>	Foreign Private Investment and Investor Perceptions	<b>ZACCI</b>	Zambia Chamber of Commerce and Industry
<b>GBP</b>	Great British Pound	<b>ZAM</b>	Zambia Association of Manufacturers
<b>GDP</b>	Gross Domestic Product	<b>ZAR</b>	South African Rand
<b>IFPAB</b>	International Federation for People with Albinism	<b>ZCGS</b>	Zambia Credit Guarantee Scheme
<b>IATF</b>	Intra-Africa Trade Fair	<b>ZDA</b>	Zambia Development Agency
<b>ICT</b>	Information and Communication Technology	<b>ZEDF</b>	Zambia Export Development Fund
<b>IMF</b>	International Monetary Fund	<b>ZEGA</b>	Zambia Export Growers Association
<b>IPPA</b>	Investment Promotion and Protection Agreement	<b>ZMW</b>	Zambian Kwacha
<b>IPs</b>	Industrial Parks	<b>ZNBC</b>	Zambia National Broadcasting Cooperation
<b>IRC</b>	Information Resources Centre		
<b>ITC</b>	International Trade Centre		
<b>ITED</b>	Investment Trade and Enterprise Development		
<b>LBDP</b>	Local Business Development Programme		
<b>M &amp; E</b>	Monitoring and Evaluation		
<b>MCTI</b>	Ministry of Commerce, Trade and Industry		
<b>MFEZs</b>	Multi-Facility Economic Zones		
<b>MOUs</b>	Memoranda of Understanding		





His excellency President Hakainde Hichilema, Former President of the Republic of Nigeria Olusegun Obasanjo and Republic of South Africa President Cyril Ramaphosa at the IATF in Durban, South Africa.



Hon. Minister of Commerce, Trade and Industry Mr. Chipoka Mulenga, M.P., speaking at the groundbreaking at United Capital Fertilizer Limited.



Her Honour the Vice President of the Republic of Zambia Mrs. WK Mutale Nalumango, M.P., speaking at the groundbreaking at United Capital Fertilizer Limited.



## Foreword By Permanent Secretary



**It is my pleasure and privilege to present the Zambia Development Agency (ZDA) Annual Report detailing the performance of the Agency for the year 2021. The year 2021 was characterised by a number of challenges, key among them included the persistence uncertainty of the COVID-19 Pandemic that adversely affected investment and trade flows; fiscal and monetary challenges; and the political uncertainty in the run-up to the General Elections.**

**N**otwithstanding these factors, there was an improvement in the Country's Gross Domestic Product (GDP) growth rate from negative 3 percent in 2020 to 3.6 percent in 2021. This was largely on account of the roll out of the Covid-19 vaccine that enhanced investor confidence and easing of the Covid-19 restrictions. This also led to the reopening of supply lines and the restoration of international trade. In addition, growth was stimulated by record high copper prices that promoted investment in the mining sector. The New Dawn Government has set an economic transformation agenda aimed at repairing, restoring and reviving the economic prospects of the Zambian economy and setting it on a growth path that will ensure sustainable growth and development in line with the Vision 2030.

As you may be aware, the Ministry of Commerce, Trade and Industry (MCTI) is mandated, through the ZDA, to foster Zambia's economic growth and development.

The Ministry remained committed to promoting and facilitating the growth of the private sector by providing the policy direction required for ZDA to fulfill its mandate of promoting trade and investment and as the main link between Government and the private sector. In view of the aforementioned, in 2021, the Ministry commenced review of legislations, policies and strategies that were aimed at enhancing the Agency's ability to fulfil its mandate:

### **1. The Zambia Development Agency (ZDA) Bill, 2019 and the Investment, Trade and Enterprise Development (ITED) Bill, 2019**

The Zambia Development Agency Act No. 11 of 2006 is intended to be repealed and replaced with two pieces of legislation, that is, the Zambia Development Agency Bill and the Investment, Trade and Enterprise (ITED) Bill. The objective of the ZDA Bill is to continue the existence of the Zambia Development Agency and to define its functions; while the ITED Bill provides for the technical and operational aspects of the Agency with the intent to strengthen and clarify provisions in order to create an enabling environment that promotes and facilitates investment, trade and enterprise development.

### **2. National Implementation Strategy on the Elimination of Non-Tariff Barriers (2021 to 2023)**

The National Strategy on the Elimination of Non-Tariff Barriers (NTBs) was launched on 4th June, 2021. Its aim is to facilitate the processes of eliminating NTBs impacting Zambia's exports and imports to improve the flow of goods and services. The Strategy seeks to enhance identification, reporting, monitoring and elimination of NTBs.

I am delighted to note that Government has already shown com-

mitment in enhancing the competitiveness of the private sector, as announced during the 2022 Budget Speech. Notably, the following incentives were introduced in the 2022 Budget: reduction in Corporate Income Tax (CIT) from 35 percent to 30 percent; reduction in investment threshold to USD 50,000.00 for local investors; zero percent income tax on profits made from exports for companies in Multi-Facility Economic Zones (MFEZs)/Industrial Parks (IPs); and zero rating of taxes on dividends for a period of ten years, expected to boost investments and reinvestments.

In 2021, the Agency's performance with regards to key indicators<sup>1</sup> improved to 85.34 percent from 76.60 percent in 2020.

Despite the reduction in registered investment ventures in 2021, projected jobs increased to 24,585 from 22,637 in 2020. Further, actualised investments increased to USD 3,228.19 million from USD 834.20 million in 2020, due to the increase in monitored enterprises to 201 in 2021 compared to 72 in 2020. The monitored enterprises created 66,457 jobs in 2021 compared to 11,547 jobs in 2020.

In 2021, the Agency linked 828 exporters to exports markets against a target of 480. Further, USD 23.60 million was recorded in export orders and USD 43.60 million in export leads. A total of 841 exporters were trained in export readiness; while 528 exporters were linked to financial sources.

The Agency provided Business Development Support (BDS) services to 4,079 MSMEs compared to 3,203 MSMEs in 2020, representing an increase of 27.35 percent. A total of 6,334 jobs were created from the MSMEs supported in 2021, compared to the 6,082 jobs created in 2020.

In conclusion, on behalf of the Minister of Commerce, Trade and Industry, I would like to appreciate the tireless efforts of the ZDA Management and staff for the success scored during a rather difficult period of global and domestic economic challenges. The Ministry and Government will continue to provide the requisite support to the Agency in fulfilling its mandate.



**Chawe P. M. Chuulu**

Permanent Secretary  
Ministry of Commerce, Trade and Industry

1. Average of selected key performance indicators



## Director General's Acknowledgement



**In the year 2021, the Agency's prospects improved as the global community began to settle into the 'new-normal' following the roll-out of the Covid-19 vaccine, which saw the resumption of regular flow of business, enabling investment and trade. Furthermore, to cushion against the effects of the pandemic, the Agency in the period under review, adopted an inward approach in promoting Investments, trade and enterprise development to awaken the potential that lies within the local boundaries. This resulted in Domestic Direct Investments recording USD 1.94 billion compared to USD 1.39 billion recorded in Foreign Direct Investments.**

The Agency formulated and implemented innovative strategies that involved the use of high-tech digital platforms in ensuring a safer and effective way of doing business, including virtual business fora, trade fairs, buyer-seller meetings, research, and investment fora among others.

Further, the year 2021 witnessed the expiration of the Country's 7th National Development Plan (7NDP) and subsequently, the Agency's strategic plan. The Agency performed relatively well in the execution of its 2018 - 2021 strategic plan and looks forward to executing its 2022 - 2026 strategic plan (currently under development), which will be anchored on the 8th National Development Plan (8NDP) and other policy documents, with a key strategic pillar of contributing to the structural transformation of the economy for jobs and wealth creation in line with the Vision 2030. The successful execution of the 2022 - 2026 strategic plan will be dependent on timely and adequate funding of the Agency.

The Agency continued to work closely with old and new cooperating partners for much needed technical and financial support in 2021. I would, therefore, like to thank our partners for the support rendered during the year as well as for ensuring continued productive engagements.

Further, allow me to express gratitude to the Ministry of Commerce, Trade and Industry, other line Ministries and Government Agencies for their continued policy guidance and support to the Institution.

I wish to express my gratitude to the entire ZDA team for the resilience and commitment exhibited in fulfilling the Agency's mandate - not an easy task.

In 2022, I look forward to continued support from the Government, Management, Staff and our cooperating partners in ensuring that we contribute to the new Government's development aspirations of creating a prosperous and equitable Zambia, in line with the 'Vision 2030'.

**Albert Halwampa**  
Acting Director General  
**ZAMBIA DEVELOPMENT AGENCY**

## Corporate Governance

The operation of the Agency is overseen by a Board of Directors appointed in line with the Zambia Development Agency Act No. 11 of 2006 which is charged with governance, strategic direction, risk management and financial reporting responsibilities.

The tenure of the Board is as follows: five (5) years for the Chairperson and Vice-Chairperson; and three (3) years for the rest of the Members. The sitting Board during the period under review, which was appointed in April 2020, was dissolved in October 2021.

The Agency is committed to maintaining best practices in corporate governance, which promote the long-term interest of our key stakeholders, clients, and partners and to build public trust in the organization. The Agency aspires to be a model of public probity by providing a good return on public funds and promoting high standards of integrity. In doing so, an Integrity Committee has been operationalized with the aim of ensuring that highest levels of integrity are upheld.

**During the year under review, the following where Board Committees in place:**

**i. Audit and Risk Committee**

The Committee is responsible for all audit related matters as may be delegated by the Board from time to time (including proactively developing the Authority's audit related policy as delegated by the Board).

**ii. Policy Coordination and Implementation Committee**

The Committee is responsible for among others, provide oversight and policy guidelines on strategies the Agency will employ in attracting investment in Zambia; monitor performance and development of MSMEs in Industrial parks and incubation centers and prescribe and enforce measures for activities carried out in industrial parks and incubation centers; coordinate national programmes related to (MSMEs), trade expansion and investment promotion; provide guidance and advice to government based on study findings on competitive and sustainable investment incentives or regimes and appropriate Investment Promotion Agency (IPA) structure and reporting mechanism, as well as appropriate investment and export promotion strategies

**iii. Finance and Administration Committee**

The Committee is responsible for all issues relating to finance, human resources and general administration of the Agency as may be delegated by the Board from time to time.

**iv. Licence Permits and Certificates Approvals Committee**

The Committee is responsible for among others, considering and approving certificates of registration for investment licences; considering and approving certificates of registration for micro, small and medium enterprises; and considering and approving MFEZ and Industrial Park permits.



**ZDA Main Board Room**



## Board of Directors

The following constituted the Board as at 29th October 2021



**Mrs. Rebecca Katowa**  
Interim Chairperson  
Appointed 23rd September 2021



**Dr. Chisoma Lombe**  
Vice-Chairperson



**Mr. Mushuma Mulenga**  
Member



**Mr. Barnaby Mulenga**  
Member



**Mr. Mukuli Chikuba**  
Member



**Mr. Chanda Kaziya**  
Member



**Mrs. Chiwego Zulu-Chileshe**  
Member



**Dr. Jobbicks Kalumba**  
Member



**Mr. Likando Kalaluka**  
Member  
As at 24th August 2021



**Mr. Songozwayo Zyambo**  
Member



## Executive Committee

The following constituted the Executive Committee of ZDA as at December 31, 2021:



**Mr. Albert Halwampa**  
Acting Director General



**Mr. Innocent Melu**  
Director – Policy and Planning



**Mrs. Jessica Chombo**  
Director – Investments



**Mr. Gabriel Musentekwa**  
Director – Enterprise Development



**Mr. Obby Banda**  
Acting Director – Export Development



**Ms. Chama Chilambwe**  
Acting Director – Finance  
and Administration



**Ms. Theresa M. Liswaniso-Kampata**  
Board Secretary/Legal Counsel

## EXECUTIVE SUMMARY

The Agency implemented programmes aimed at developing MSMEs in key sectors of the economy which include; Agriculture, Mining, Tourism, Manufacturing, Infrastructure and Service. During the period under review, the Agency provided BDS to 4,079 MSMEs compared to 3,203 MSMEs supported in 2020, representing an increase of 27.35 percent. Jobs created from the supported MSMEs increased from 6,082 jobs in 2020 to 6,334 in 2021, representing an increase of 4.14 percent.

In terms of investment promotion, a total of USD 3.33 billion worth of investment was projected in 2021 from 255 registered investment projects registered compared to USD 5.84 billion in 2020 from 326 registered investment projects. This represented a reduction of 42.98 percent in the value of projected investments. The decrease in projected investment was attributed to review of policies and legal framework undertaken by the Ministry of Commerce, Trade and Industry. The review process necessitated the temporal suspension of the issuance of ZDA investment licenses, permits, and certificates of registration from October 2021 which remained in effect as at 31st December, 2021. Of the total registered investments in 2021, USD 1.39 billion was Foreign Direct Investment (FDI) and USD 1.94 billion was Domestic Direct Investment (DDI), representing 42 percent and 58 percent of the total projected investment, respectively. With regards to employment, both new and re-investment projects projected to create 24,585 jobs in 2021 compared to 22,637 jobs in 2020, representing an increase of 8.61 percent.

In terms of actualised investments, the Agency recorded an increase of 275 percent at USD 3,228.19 million in 2021 from USD 834.20 million in 2020. The actualised investment was recorded from two hundred and one (201) enterprises that the Agency monitored in the year under review. Furthermore, the Agency recorded 66,457 jobs in 2021 compared to 11,547 jobs that were recorded in 2020, representing an increase of 576 percent. The increase could be attributed to availability of resources that resulted in 201 enterprises being monitored in 2021 as compared to 72 enterprises monitored in 2020.

Additionally, investments from both developers and operators in the Multi-Facility Economic Zones (MFEZs) and Industrial Parks (IPs) amounted to USD 2.74 billion in 2021 as compared to USD 2.18 billion in 2020, representing a 25.69 percent increase. The number of jobs created stood at 35,794 in the period under review as compared to 25,795 in the same period of 2020, representing a 38.76 percent increase by both developers and operators.

With regards to the Agency's export promotion and market development function, in the period under review, the Agency linked 828 exporters to exports markets against a target of 480, representing an achievement of 345 percent. Furthermore, the Agency recorded USD 43.6 million worth of export leads and USD 23.60 million export orders. USD 43, 500 in export deals was actualised from 2 exporters during the Congo DR mission. A total of 841 exporters were trained in export readiness against a target of 360 representing an achieve-

**The Agency performed relatively well in promoting and facilitating trade, investment and enterprise development in Zambia amidst the effects of the COVID-19 Pandemic, declining fiscal space, inflationary pressure, high commercial bank lending rates and exchange rate instability that had hostile effects on production in all sectors of the economy.**

**The Agency provided BDS to  
4,079 MSMEs**

Compared to 3,203 MSMEs supported in 2020



**Projected Investments:  
USD 3.33 billion**

Compared to USD 5.84 billion in 2020



**Projected Employment:  
24,585**

Compared to 22,637 in 2020



**Multi-Facility Economic Zones (MFEZ)  
Actualized Investments**

**USD 2.74 billion**

Compared to USD 2.18 billion in 2020



**Actualized Investments:  
USD 3,228.19 million**

Compared to USD 834.20 million in 2020



**828 exporters** linked to regional  
and global markets

Compared to 450 exporters in 2020



**Foreign Direct Investment  
USD 1.39 billion**

Compared to 3.17 billion in 2020





ment of 334 percent. An additional 528 exporters were linked to financial sources representing an achievement of 264 percent.

The country's overall performance of non-Traditional Export (NTEs) amounted to a total of USD 2.69 billion in 2021 compared to USD 1.94 in 2020, representing a percentage increase of 38.66. The share of NTEs to total exports increased to 27 percent in 2021 from 24 percent in 2020 representing an increase of 11.11 percent.

The increase in share of NTEs to total exports was attributed to the increased trade between Zambia and countries in Southern Africa Development Community (SADC)/Common Markets for Eastern and Southern Africa (COMESA) as well as the rollout of the COVID-19 vaccines leading to opening up of markets and supply chains.

ZDA continued to undertake structured research aimed at generating information for evidence-based decision making and informing Government policy formulation. The Agency conducted its annual

Client Satisfaction Survey that aimed at measuring the level of satisfaction among stakeholders. In 2021, the Survey revealed an overall satisfaction score of 77 percent against a target of 85 percent.

This is in comparison to a satisfaction score of 67 percent recorded in 2020 representing, an increase of 14.93 percent in client satisfaction. The Agency in collaboration with Bank of Zambia (BOZ) and Zambia Statistical Agency (ZSA), the Agency participated in the Foreign Private Investment and Investor Perceptions (FPI and IP) Survey which is aimed at assessing foreign assets and liabilities and to determine investor perceptions in Zambia.

Furthermore, in meeting its policy advocacy function, the Agency produced eighteen (18) impactful position papers. In fostering and strengthening stakeholder collaborations, the Agency signed six (6) MOUs.



## Zambia Development Agency Mandate

The Zambia Development Agency (the “Agency”) is the Country’s premier economic development institution with an encompassing and multi-dimensional mandate of facilitating trade and investment as well as the competitiveness of MSMEs in Zambia. This involves provision of investment facilitation, aftercare, export and enterprise development services.







## Our Vision

“A dynamic hub for promoting economic development for Zambia”



## Our Mission

“To efficiently and effectively promote and facilitate investment, trade and enterprise development in Zambia”

The Agency plays a critical role of driving Zambia’s economic development and diversification agenda leveraged on attraction and facilitation of targeted investment and re-investment across all sectors of the economy. Further, it promotes the development of markets for Zambian products, especially non-traditional exports (NTEs) and the growth of Micro, Small and Medium Enterprises (MSMEs) in line with national priorities espoused in the Seventh National Development Plan (7NDP) which is anchored on the Vision 2030.

The Agency fosters private sector development through stakeholder engagement, public-private dialogue and evidence-based policy advocacy, which is aimed at creating a conducive business environment.

## Our Values



### Knowledgeable

Gather, analyze and share relevant information about markets and sectors for use by clients in their decision-making processes and build the expertise of staff so that they are credible and trusted business advisors.



### Excellence

Provide service of the highest standard with the least waste of time, effort and resources.



### Transparency

Undertake all dealings in an open manner.



### Integrity

Approach all work with honesty, confidentiality, accountability and professionalism.



### Innovation

Embrace the power of ideas and not be afraid to challenge conventional thinking.



### Diversity

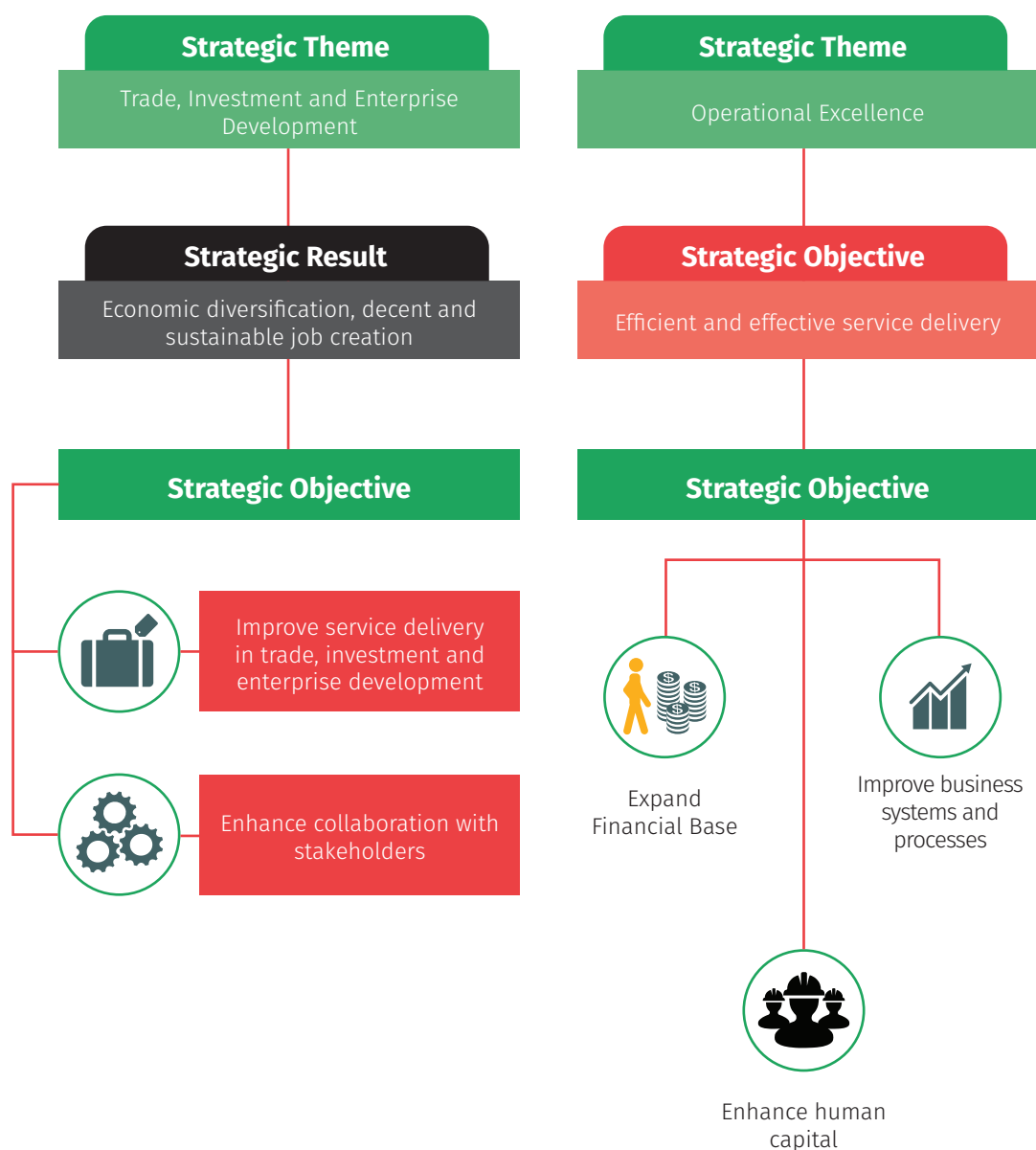
Embrace all stakeholders irrespective of their gender, culture, race, religion, or ethnicity.



### Team Spirit

Exhibit high levels of cooperation and collaboration to maximize efficiency and effectiveness.

## STRATEGIC FOCUS





## Key Services

1



### Enterprise Development

ZDA facilitates development of micro, small and medium enterprises (MSME) with the purpose of achieving wealth and job creation. The services offered include:

1. Entrepreneurship development through capacity building to enable entrepreneurs generate business ideas, start-up and or formalize, and improve management skills; and
2. Enterprise development through business incubation, acceleration and business advisory services to steer business growth.

2



### Investment Promotion and Business Facilitation

The Agency focuses on targeted investment promotion and facilitation with the purpose of achieving economic growth and development. The services offered include:

1. Investment promotion through facilitation of inward and outward investment missions;
2. Business facilitation through issuance of investment licences; facilitation of secondary licenses; and incentives; and
3. Aftercare services through post-establishment industrial visitations aimed at improving investment climate and identifying re-investment opportunities.

3



### Export Development and Promotion

ZDA promotes economic diversification by facilitating the development of NTEs. The services offered include:

1. Export promotion through facilitation of inward and outward trade missions;
2. Export development through capacity building and product development; and
3. Market development through market and business intelligence, and trade negotiations.



**ZAMBIA  
DEVELOPMENT  
AGENCY**

## 4



## Policy Advocacy and Stakeholder Engagement

The Agency contributes to building a competitive and attractive business environment through policy advocacy and stakeholder engagement. The services offered include:

### 1. Policy advocacy and trade and business information provision through economic research and market intelligence

#### Strategic Link of ZDA's Services to 7NDP, SDGs and Other National Priorities

The ZDA's mandate is premised on:



*(i). 7NDP: "Accelerating Development Efforts towards Vision 2030 without Leaving Anyone Behind"*

**Pillar 1:** Economic Diversification and Job Creation;

**Pillar 3:** Reducing Development Inequalities.

**Pillar 2:** Poverty and Vulnerability Reduction;

**Pillar 4:** Enhancing Human Development;

#### *(ii). Sustainable Development Goals*



#### *(iii). Other National Priorities*



2. Facilitation of public-private dialogue to inform Government policy direction and improve the business environment.



3. Partnership development through MoU and SLA to improve cooperation and service delivery



## ECONOMIC OVERVIEW

In 2021, the economy rebound to positive growth at 3.6 percent from a contraction of 2.8 percent in 2020. This recovery is premised on a recovery in economic activity as the roll out of the vaccine continues, favourable copper prices as well as continued implementation of key policy reforms.

The main sectors driving growth include the agricultural sector, manufacturing, electricity, construction, ICT as well as the financial and insurance sectors. The mining sector however recorded a minor decline compared to the performance in 2020. The ICT sector had the highest contribution to growth accounting for 1.2 percentage points of the total growth, followed by the construction sector accounting for 1.1 percentage points.

At the start of the year under review, the Kwacha experienced high volatility, trading at an average of ZMW 22 per USD. The volatility was due to increased market uncertainty in the run-up to the 2021 general elections; disruption of supply chains due to the COVID-19 pandemic; and constricted macroeconomic performance due to the debt burden, among others. In the second half of the year, however, the Kwacha appreciated against all major convertible currencies. On average, it traded at ZMW 16.76 in 2021 compared to ZMW 18.26 per USD in 2020. The appreciation of the Kwacha was attributed to investor confidence due to the peaceful transition of government following the general elections; resumption of trade due to the reduction of COVID-19 cases; remittance of copper receipts in USD; and the USD 1.3 billion Special Drawing Rights (SDRs) allocation by International Monetary Fund (IMF) among others. Additionally, the positive sentiments in the economy culminating from the Staff Level Agreement the country reached with the IMF added to the positive performance of the kwacha.

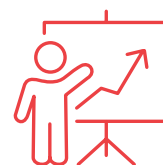
The end-year inflation rate recorded a decline of 2.8 percentage points to 16.4 percent in 2021 from 19.2 percent in 2020. This was due to the reduction of food and non-food prices and significant appreciation of the Kwacha against the US dollar, among others.

Commercial banks' average lending rates declined by 2.52 percentage points to 25.90 percent in 2021 from 26.57 percent in 2020. Notwithstanding the reduction, lending rates remained high due to market risk and tight liquidity conditions. Furthermore the Central Bank's upward adjustment of the Policy Rate by 50 basis points to 9.0 percent contributed to comparatively high Bank Lending Rates.

On the fiscal side, Zambia's deficit increased by 89.25 percentage points from ZMW 18.05 billion in 2020 to ZMW 34.16 billion in 2021. This was largely attributed to increased expenditure on social sectors such as health and social services to fight the pandemic as well as cushion its impact on the vulnerable.

In terms of exports, Zambia's total earnings were USD 11.09 billion in 2021 compared to USD 7.92 billion in 2020, representing an

### The economy grew by 3.6 percent



The Kwacha appreciated against all major convertible currencies.

at **ZMW 16.76**

compared to ZMW 18.26 per USD in 2020

The end-year inflation rate recorded a decline of  
2.8 percentage point



**▼16.4%**

From 19.2 percent in 2020

Commercial banks' average lending rates declined  
by 2.52 percentage points



**25.9%**

from 26.57 percent in 2020.

Zambia's Fiscal Deficit increased by 89.25%

**ZMW 34.16 billion**

compared to ZMW 18.05 billion in 2020

increase of 40.03 percent. The value of Non-Traditional Exports (NTEs) increased by 38.66 percent from USD 1.94 billion in 2020 to USD 2.69 billion in 2021. Additionally, the share of NTEs to total export rose from 24.5 percent in 2020 to 32.0 percent in 2021.

Overall, the macroeconomic environment was subdued due to fiscal and monetary challenges that were exacerbated by adverse effects of the COVID-19 Pandemic and huge external debt. Zambia's economic performance is summarized in Table 1 below.

Zambia's total export earnings for 2021

**USD11.09 billion**

compared to USD7.92 billion in 2020

Value of NTEs increased by 38.66%

**USD 2.69 billion**

compared to USD 1.94 billion in 2020

**Table 1: Trends in Number of MSMEs supported with BDS, 2017 – 2021**

No.	Indicator	2020	2021
1	Real GDP growth rate (%)	(3.0)	3.6
2	Exchange Rate (period average)		
	ZMW/USD	18.26	16.78
	ZMW/GBP	23.50	22.38
	ZMW/ZAR	1.12	1.07
3	Commercial banks' lending rate (period average, %)	26.57	25.90
4	Inflation (end period, %)	19.2	16.04
5	Fiscal balance: surplus (+)/deficits (-), (ZMW, billion)	(18.05)	(34.16)
6	Commodity prices (period average)		
	Copper (USD/Tonne)	6,118	8,313
	Cobalt (USD/Tonne)	32,883.75	65,963.79
	Crude oil (Dubai) (USD/Barrel)	43.01	44.3
7	Total Export earnings (USD, billion)	7.92	11.09
8	NTEs Export earnings (USD, billion)	1.94	2.69
9	Share of NTEs to Total Exports (%)	24.5	27

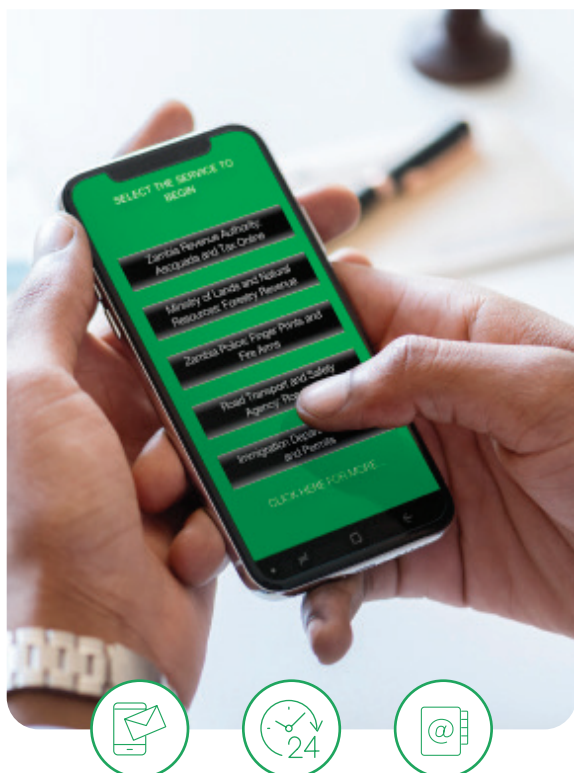
Source: BOZ, ZSA, MOF



## OPERATIONAL AND PERFORMANCE REVIEW

The Agency performance Rating  
with regards to key indicators

# 78.4%



**Clients and stakeholders  
were encouraged to utilize  
e-platforms in accessing the  
services as offered by ZDA**

In the Period under review, the Agency attained an overall programme implementation rate of 78.4 percent representing a decline of 7 percent from 2020 which recorded 84.3 percent as measured by the implementation of planned interventions. With regards to performance against key indicators, the Agency recorded a rating of 85.34 in percent<sup>2</sup> in comparison to 76.6 percent recorded in 2020, representing an increase of 10.24 percent.

Generally, compared to set targets, the Agency's performance improved under the "new normal" with the roll out of the COVID-19 vaccines globally, which led to the resumption of international trade and investment.

Clients and stakeholders were encouraged to utilize e-platforms in accessing the services including, among others; business development services, processing of applications for Certificate of Registration of micro, small and Medium Enterprises, Large investors, as well as permits for MFEZs; facilitation of B2B and B2G meetings, conferences, summits, and other business facilitation functions.

Owing to the onset of the 4th wave of the pandemic (Delta and Omicron variant), the Agency re-introduced working arrangements including working from home, and the use of electronic platforms. The Agency maintained the implementation of COVID-19 preventive measures prescribed by the Ministry of Health (Statutory Instruments No. 21 and 22 of 2020).

**The timely receipt of operational funds from the Government; and strengthened stakeholder collaboration and partnerships enhanced the implementation of planned programmes, which included:**

- Increased Enterprise Performance Monitoring (EPM) and field research;
- Increased industrial and aftercare visits;
- Increased export promotion and market development activities;
- Increased local, inward and outward investment missions;

However, the Agency's performance would have been much better if not for the continued low staffing levels due to insufficient funds, exacerbated by the Government's temporary suspension of recruitment.

2. Average of selected key performance indicators.

## DEVELOPMENT OF MICRO, SMALL AND MEDIUM ENTERPRISES

The Agency implemented interventions aimed at developing MSMEs in key sectors of the economy which included Agriculture, Manufacturing, Construction and Services. In 2021, the Agency provided support to 4,079 MSMEs compared to 3,203 MSMEs in 2020, representing an increase of 27.35 percent (See Figure 1).

### Employment Creation

The Agency provided entrepreneurship and enterprise development services to enterprises categorized as micro, small and medium, including cooperatives. In 2021, the Agency supported 4,079 MSMEs that created 6,334 jobs compared to 3,203 MSMEs that created 6,082 jobs in 2020 (See Figure 2).

### Business Formalization

172 MSMEs were formalized with ZDA in 2021 compared to 139 in 2020, representing a 23.74 percent increase. The agriculture sector had the largest number of formalized MSMEs with 57 followed by manufacturing and service with 55 and 40 MSMEs, respectively. The other sectors included; ICT, mining, transport, education, tourism and health combined as shown in Figure 3.

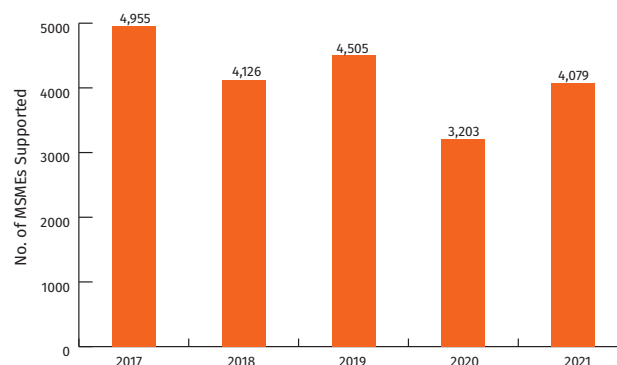
### Support to Youth and Women

Of the 4,079 MSMEs supported with BDS, 3,221 were women, youths and persons who are differently abled representing 79 percent of the total number of MSMEs supported. This is in comparison to 2020 which recorded 1,265 women and youths supported out of 3,203 indicating an increase of 154.62 percent. The MSMEs that were owned by women exclusively accounted for 1,645, representing 51 percent, youths accounted for 1,507, representing 47 percent and persons who are differently abled accounted for 69, representing 2 percent respectively. It is worth noting that among the MSMEs supported in 2021 2 percent were differently abled compared to none in the previous year as seen in Figure 4.



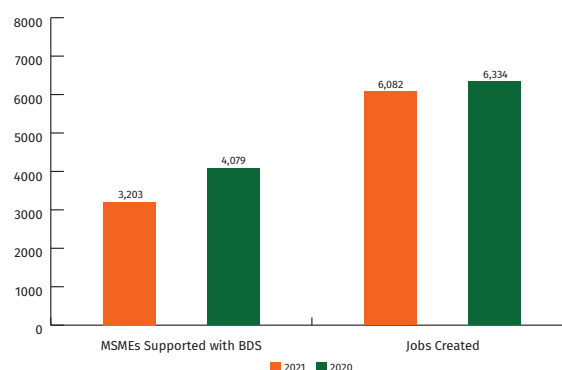
Czech Republic's Association of Small and Medium-sized Enterprises and Crafts and the ZDA, at Kanakantapa's Women Association in Chongwe.

**Figure 1 A 5-year trend analysis of the number of MSMEs that were provided with BDS.**



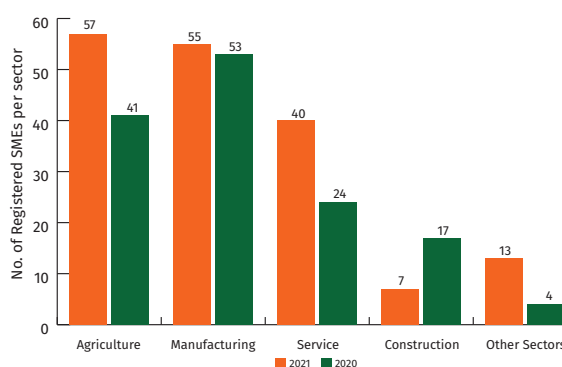
Source: ZDA

**Figure 2 MSMEs Supported and Employment Created 2021 - 2020.**



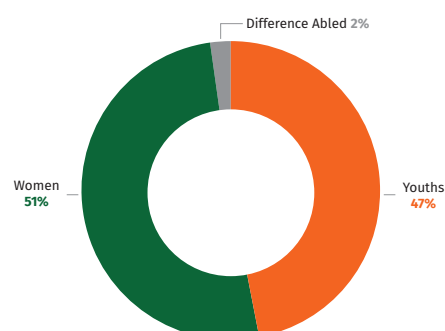
Source: ZDA

**Figure 3 MSME Business Formalization by Sector in 2021 - 2020.**



Source: ZDA

**Figure 4: MSMEs Supported by Ownership, 2021**



Source: ZDA



## Key Interventions aimed at Developing Micro, Small and Medium Enterprises

A number of interventions in entrepreneurship and enterprise development were employed to support 4,079 MSMEs that created 6,334 jobs. The interventions included: capacity building, training programmes, financial linkages, product development, coaching and mentorship, business advisory, business incubation, and Business/Market Linkages. The services were offered across different sectors of the economy and contributed to poverty reduction as well as wealth creation.

### Key interventions:

- i. Entrepreneurship Development through capacity building to enable entrepreneurs generate business ideas, start-up and or formalization, and improvement of management skills; and
- ii. Enterprise Development through business incubation, acceleration and business advisory services to steer business growth.

The key interventions aimed at Developing Micro, Small and Medium Enterprises are summarized in Table 2 below.

**Table 2: Interventions aimed at Developing Micro, Small and Medium Enterprises**

S/N	Interventions	Outputs
<b>Entrepreneurship Development Services</b>		
1	Entrepreneurship Trainings	991 MSMEs were trained in Entrepreneurship skills development, Cooperatives Management and “EMPRETEC”, among others
2	Business Formalization	172 MSMEs formalized their businesses with ZDA
3	Coaching and Mentorship	52 MSMEs received coaching and mentorship services
4	Business Advisory	498 MSMEs/Cooperatives received financial management and business plan development advisory services
<b>Enterprise Development Services</b>		
1	Business Incubation	98 MSMEs were supported with business incubation and acceleration services in packaging, branding, and barcoding. In addition to already existing products, 4 new products were developed as follows: chili sauce, coffee, spiced honey, and peanut butter
2	Business Linkages	909 MSMEs were facilitated with business linkages; of which 420 was access to finance and 489 was access to markets (with 221 rural-urban linkages)
3	Business Intelligence and Market Information (BIMI)	1,231 MSMEs accessed Business Intelligence and Market Information (BIMI) in the Agriculture, Agro processing, Manufacturing, Construction, Transport, Trading, Tourism, Mining, Real estate, ICT and Service sectors, through the Information Resources Centre (IRC)
4	Aftercare	128 MSMEs were provided with aftercare services

Source: ZDA

## INVESTMENT PROMOTION AND FACILITATION

### Projected Investment<sup>3</sup>

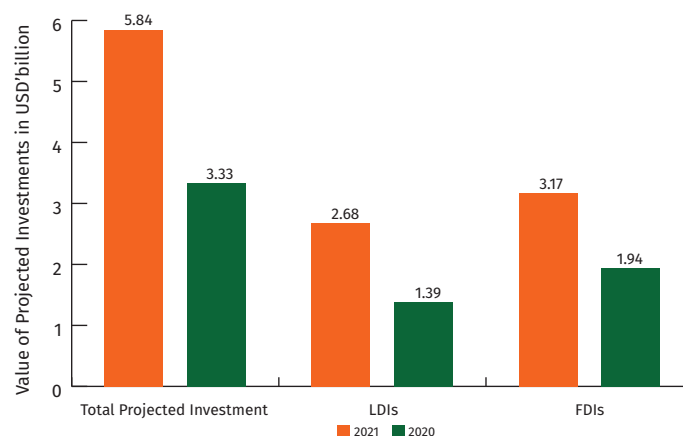
A total of USD 3.33 billion worth of investment was projected in 2021 from 255 registered investment projects compared to USD 5.84 billion that was projected in 2020 from 326 registered investment projects. This represents a reduction of 42.98 percent in the value of investment. The decrease in projected investment was attributed to review of policies and legal framework undertaken by the Ministry of Commerce, Trade and Industry in collaboration with the Agency. The review process necessitated the temporal suspension of the issuance of ZDA investment licenses, permits, and certificates of registration from October 2021 which remained in effect as at 31st December, 2021. Of the total registered investment in 2021, USD 1.39 billion was Foreign Direct Investment (FDI) and USD 1.94 billion was Domestic Direct Investment (DDI), representing 41 percent and 57 percent of the total projected investment, respectively. A graphical representation is provided in Figure 4.

Furthermore, re-investments worth USD 2.34 billion from 22 investment projects were recorded in 2021 as compared to USD 1.97 billion from 26 projects recorded in 2020. The re-investment projected to expand their businesses and create 10,276 additional jobs in 2021, compared to the 1,626 jobs that were projected to be created in 2020.

Figure 6 shows total values projected investments in the last five years with the highest being 2020 and the lowest 2019. In 2021, projected investments recorded a reduction of 41.96 percent due to the aforementioned suspension of issuance of ZDA licences, permits and certificates of registration as well as the effects of the COVID-19 Pandemic on investment flows.

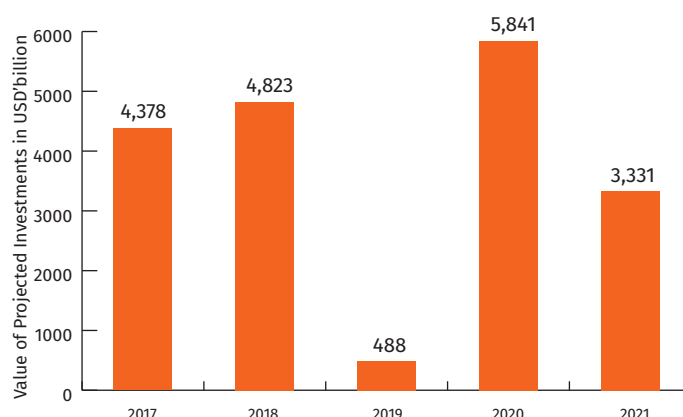
During the period under review, the Energy sector recorded the highest projected investment of USD 2.2 billion, representing 66 percent of total investment. This was followed by Manufacturing with USD 796 million accounting for 24 percent and the rest of the sectors combined recorded USD 332 million and represented 10 percent of the total projected investments. (See Figure 7).

Figure 5: Value of Registered Investment by Type, 2021 - 2020



Source: ZDA

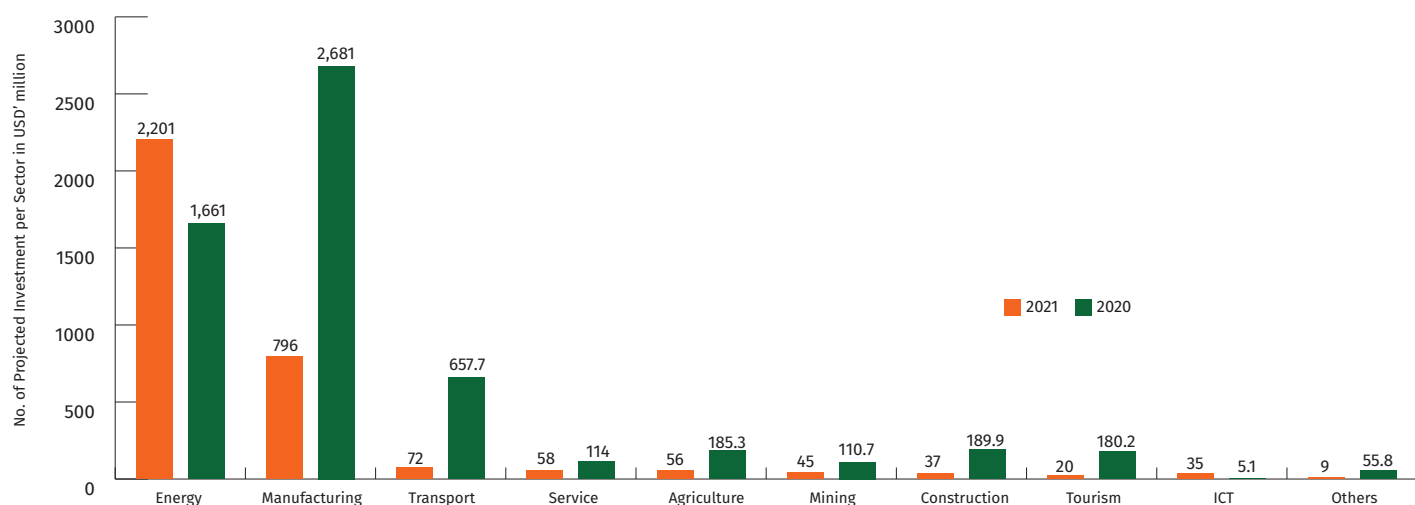
Figure 6: Trends in Registered Projected Investment, 2017 - 2021



Source: ZDA

**The decrease in projected investment was attributed to review of policies and legal framework undertaken by the Ministry of Commerce, Trade and Industry in collaboration with the Agency.**

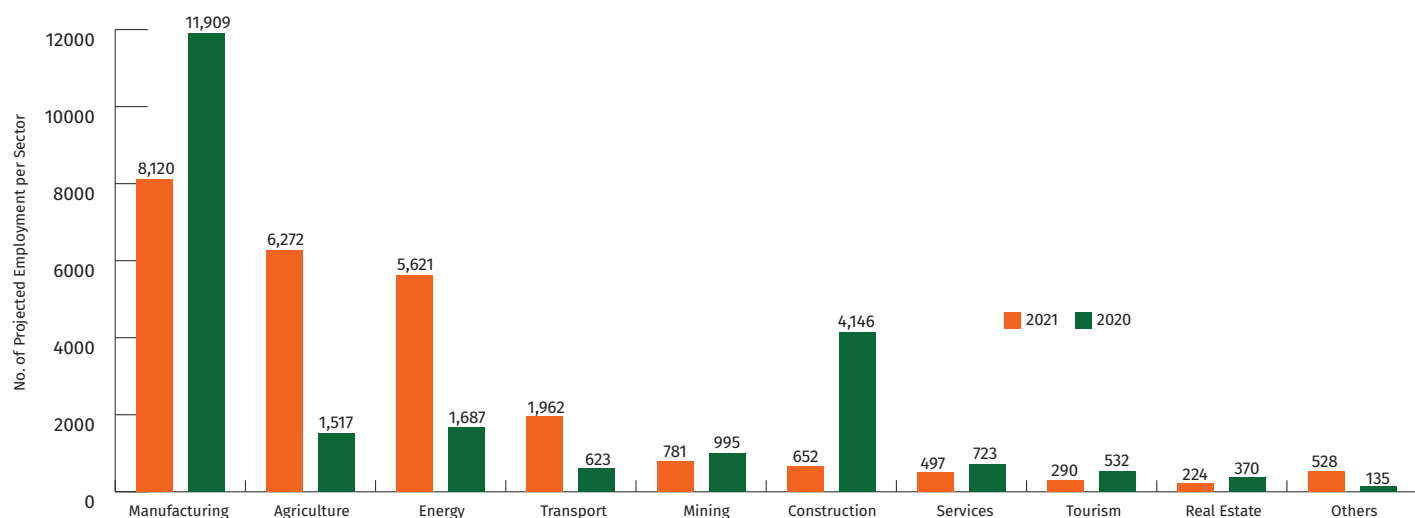
3. Projected investment and employment figures in this report represent the investments facilitated by the ZDA.

**Figure 7: Sectorial Contribution to Projected Investment in 2021 – 2020**

Source: ZDA

## Projected Employment

A total of 24,585 jobs were recorded in 2021 in both new and re-investment projects compared to 22,637 jobs in 2020, representing an increase of 8.61 percent. In particular, job creation remained resilient within the Manufacturing sector recording the highest employment of 11,909 jobs, representing 53 percent. This was followed by the Construction and Energy sectors recording 4,146 jobs and 1,687 jobs, representing 18 percent and 8 percent, respectively. The Agriculture sector was fourth with 1,517 jobs, representing 7 percent. The others sectors combine projected 528 jobs representing 14 percent as shown in Figure 8 below.

**Figure 8: Sector Contribution to Projected Employment in 2021 – 2020**

Source: ZDA



In 2021, the Agency recorded two (2) notable high value investments both in the Energy sector worth USD 1.3 billion and USD 63 million as shown in Table 3 below.<sup>4</sup> The interest in the Energy sector is as a direct result of the Agency's efforts in promoting and facilitating targeted and strategic investments, such as the promotion of investment in renewable energy, in line with the aspirations of the Seventh National Development Plan (7NDP) and the United Nations Sustainable Development Goals (SDGs). See table 3 below

**Table 3: Top 10 High Value Registered Investment Projects by Sector, 2021**

No.	Sector	Country of Origin	Projected Investment (in USD' million)
1	Energy	Zambia	1,300
2	Energy	Britain	629
3	Manufacturing	China	308
4	Energy	Zambia	231
5	Manufacturing	Zambia	136
6	Manufacturing	Tanzania	30
7	Manufacturing	Zambia	30
8	ICT	Mauritius	26
9	Energy	Zambia	25
10	Manufacturing	Zambia	22

Source: ZDA



Delegation led by the Minister of Commerce, Trade and Industry Hon. Chipoka Mulenga M.P., touring Jiangxi Multi-Facility Economic Zone in Chibombo.



Former ZDA Board Chairperson Bishop David Masupa and ZDA Staff on a tour by Vice Chancellor during the industrial visit at Cavendish University, Zambia.

## Actualised Investment<sup>5</sup>

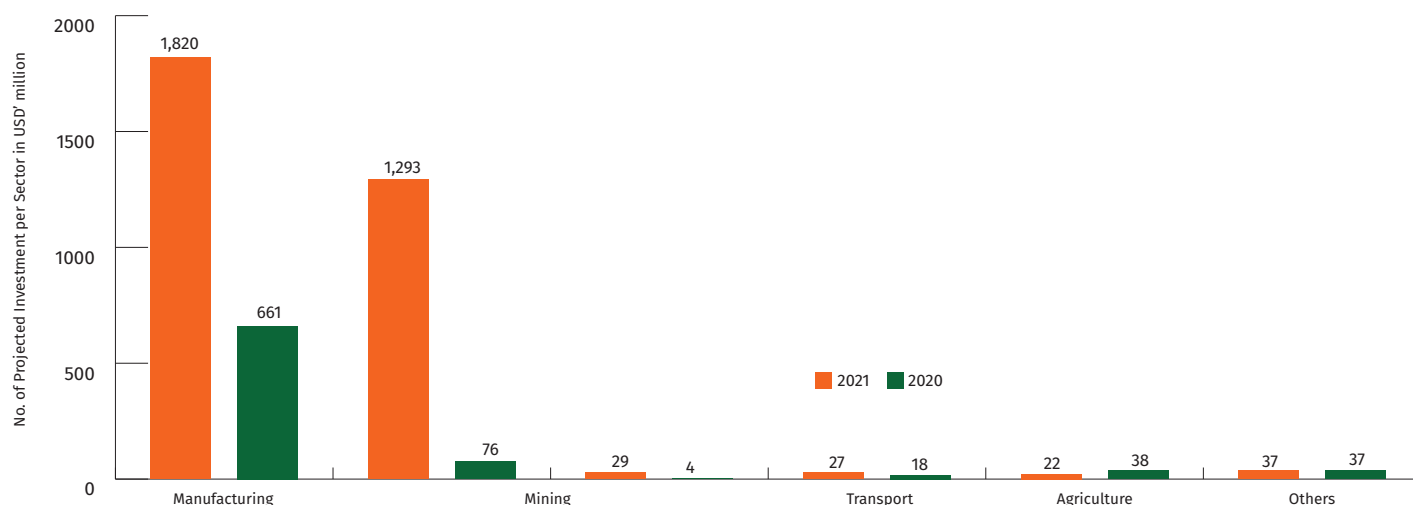
In 2021 the Agency monitored 201 enterprises compared to 72 enterprises in 2020 representing an increase of 179.17 percent.

Actualised investments recorded from the 201 monitored enterprises increased to USD 3,228.19 million from USD 834.20 million in 2020 representing an increase of 275 percent. The 3,228.19 million was actualised from the pledged investments of 14,013.9 million in 2021 compared to USD 2,710 million pledged in 2020 representing an increase of 516 percent. Of the 201 monitored enterprises, significant actualised investment was recorded from six (6) enterprises in the Mining and Manufacturing sectors amounting to USD 2,201.8 million, representing 69 percent of the total actualised investments.

In terms of sectorial contribution, the Manufacturing sector had the highest actualised investment of USD 1,820.1 million in 2021 compared to USD 661 million in 2020. This was followed by the Mining sector that recorded USD 1,292.77 million in 2021 compared to USD 75.8 million in 2020 (see Figure 9).

4. Investment project worth USD 500 million and over are classified as high value investment projects.

5. Actualised investment and employment figures in this report represent the findings from monitored enterprises registered with ZDA.

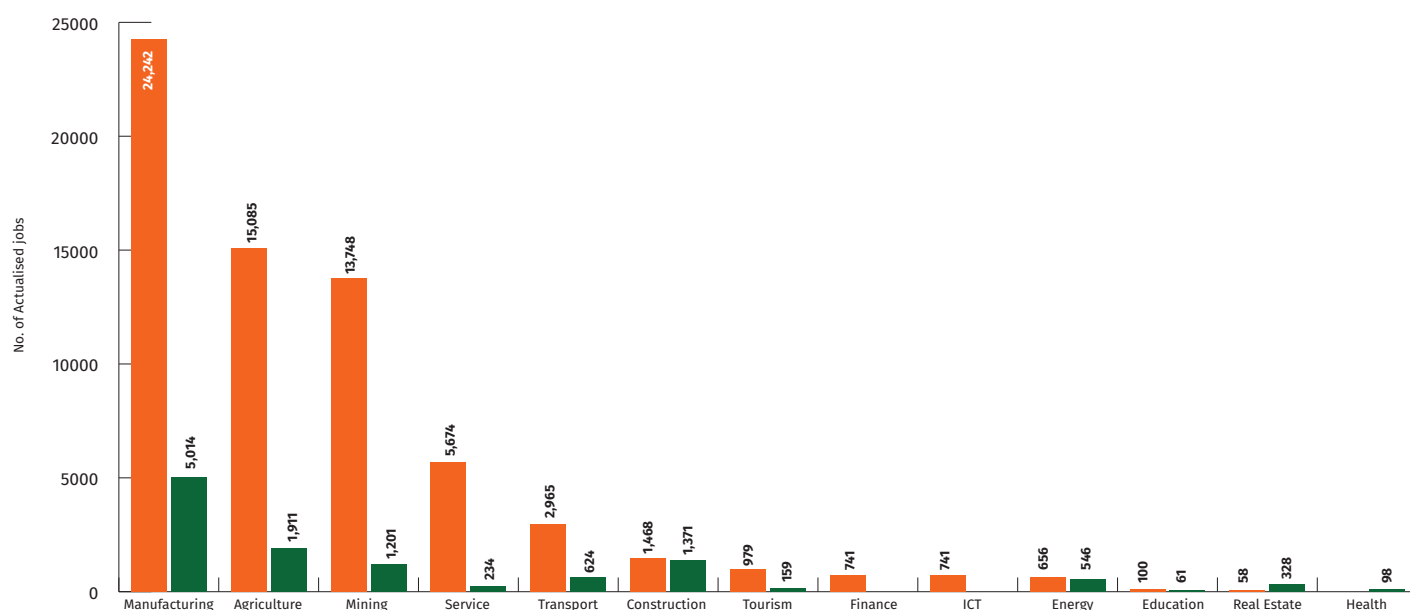
**Figure 9: Actualised Investment by Sector in 2021 – 2020**

Source: ZDA

### Actualised Employment

The monitored enterprises recorded actualised employment of 66,457 compared to 11,547 jobs that were actualised in 2020, representing an increase of 576 percent. This increase is attributed to the higher number of enterprises monitored in 2021 compared to 2020.

Manufacturing sector created the highest number of jobs with 24,242, representing 36 percent. The Agriculture and Mining sectors were second and third with 15,084 and 13,748 jobs created, representing 23 and 21 percent, respectively. The Service sector was fourth with 5,674 jobs, representing 9 percent. The rest of the sectors combined actualised 7,708 jobs representing 12 percent as depicted in see Figure 10 below.

**Figure 10: Actualised Employment by Sector, 2021 - 2020**

Source: ZDA

### Other economic development impact from the Monitored Enterprises

The two hundred and one (201) enterprises monitored by the Agency made contributions to national development. These included contributions towards social security, local business development (LBD), treasury through taxes and other statutory obligations as well as corporate social responsibility (CSR). The economic benefits included; USD 4.47 million in pension contribution; USD 4,597.2 million turnover; USD 24.5 million in taxes, and USD 126.2 million in Exports.

## Performance of Multi-Facility Economic Zones and Industrial Parks

Multi-Facility Economic Zones (MFEZs) and Industrial Parks (IPs) are delimited areas in which industrial and commercial activities take place in-line with the new wave of industrialisation and economic development. In 2021, four (4) MFEZs and two (2) IPs remained operational.

Table 4 highlights the progress made in the four (4) MFEZs and two (2) IPs from inception to 31st December, 2021. Total actualised investments from both developers and operators amounting to USD 2.74 billion in 2021 as compared to USD 2.18 billion in 2020, representing a 25.69 percent increase in the actualised investments by both developers and operators.

Employment in all MFEZs and IPs in 2021 stood at 35,794 as compared to 25,795 in 2020, representing an increase of 38.76 percent in the jobs by both developers and operators in the same period of 2020.

**Table 4: Operational Status of MFEZs/IPs**

NAME	Pledged Inv. at Inception by Developer (s) (USD, million)	Pledged Emp. at Inception by Developer (s)	Number of Operational Companies		Jobs Created by companies operating in MFEZ / IP		Actualized Investment by Investors operating in MFEZ / IP (USD, million)		Invested amount by Developer (s) (USD, million)	
			2020	2021	2020	2021	2020	2021	2020	2021
<b>Chambishi MFEZ</b>	800	12,897	51	23	8959	12,897	2,170	1,667	192	250
<b>Lusaka East MFEZ</b>	500	10,432	15	10	1190	2,249	252.4	45.4	25.2	50
<b>Lusaka South MFEZ</b>	100	2,249	41	13	5686	10,432	355	946.6	60.3	100
<b>Sub-Sahara Industrial Park</b>	N/A	191	5	2	150	191	N/A	30	N/A	Not Stated
<b>Roma Park</b>	100	25	20	20	691	25	120	45	20	100
<b>Jiangxi</b>	Not stated	1	-	455	-	10,000	-	10	-	600

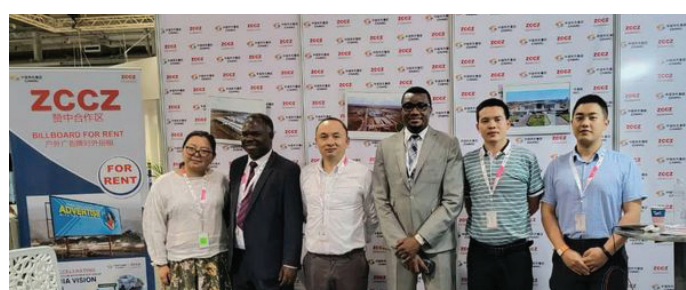
Source: ZDA



His Excellency, the President of the Republic of Zambia, Mr. Hakainde Hichilema arriving for the Business Forum in Congo DRC.



Hon. Minister of Finance, National Development and Planning Mr. Situmbeko Musokotwane, M.P., during the 2022 National Budget Presentation which included incentives for the MFEZs.



ZDA Acting Director General Mr Albert Halwampa with delegates from the Zambia China Economic and Trade Cooperation Zone (ZCCZ).



## Key Interventions aimed at Investment Promotion and Facilitation

ZDA continued to employ a number of interventions that included targeted investment promotion and business facilitation strategies, amid the COVID-19 pandemic, aimed at attracting investment and re-investment in Zambia across sectors. During the period under review, the following were the key and strategic interventions implemented as displayed in Table 5 below.

**Table 5: Interventions aimed at Promoting Investments**

S/N	Interventions	Outputs
<b>Key Local Investment Promotion</b>		
1	Luapula Water and Energy	3 leads recorded. To highlight and discuss the Water and Energy aspects and projects in the Province.
2	Lusaka Expo	10 Enterprises exhibited "The Impact of Small Businesses on Zambia's economic development".
3	Provincial Sensitization Visits Central, Northern, Muchinga, North Western, Copperbelt, Western, Southern, Eastern, Luapula and Lusaka Chamber of Commerce.	140 companies participated across the country. The objective was to provide a platform for dissemination of information about on ZDA mandate and local business opportunities to be exploited in different sectors of the economy as well as the export financing provided by the ZEDEF.
<b>Key Inward Mission</b>		
1	Zambia- Italy Business Forum-	Over 40 B2B meetings between Zambian and Italian Enterprises; B2B on the Energy, Water and Agribusiness Sectors and B2Bs in the sectors of energy, Water Development and Agribusiness.
2	Farm Market Company (Poland)	Promotion of Trade and Investment opportunities in Zambia and facilitation of joint venture partnerships
3	Zambia- Italy Business Forum	100 companies participated. Promotion of Trade and Investment opportunities in Zambia and facilitation of joint venture partnerships Key outcome: ZDA and CAM signed MoU in June, 2021.
4	Zambia- South Africa Agriculture Investment Webinar	Promotion of investment opportunities in Zambia to the South African Business Community. Over 50 Business Enterprises from both countries were in attendance.
5	Zambia- Egypt Business Forum	The Embassy engaged a B2B company from Egypt to facilitate the business linkages between Zambian and Egyptian Enterprises Business-to-Business meetings. The Egyptian Business Delegation comprised of 15 companies in the Agriculture, Manufacturing and Trade sectors.
<b>Key Outward Missions</b>		
1	African Diaspora Development Institute Webinar	Over 350 people were in attendance. Promotion of investment opportunities in Zambia in the sectors of; Mining, Agriculture, Tourism and Manufacturing Sectors.
2	Doing Business in Zambia Webinar	Presentation of the Investment Climate and Business Opportunities in Zambia to potential investors in Germany
3	Angola-Zambia Virtual Business Forum	The objective of the event was to enhance trade and investment between the two countries. A total of 80 companies attended the event. Of the total, 40 Zambian companies attended the meeting.
4	Virtual Webinar with the Zambian Diaspora in Australia	The event attracted over 50 log-ins on the Zoom Platform and views from the Agency's Facebook page Promotion of investment opportunities in the Infrastructure, Agriculture, Energy, Mining, Manufacturing and Tourism Sectors.
5	Presentation of Investment Opportunities to Zambian Expatriates in the Gulf Region	32 participants were in attendance.

S/N	Interventions	Outputs
8	Zambia- South Africa Agriculture Investment Webinar	Promotion of investment opportunities in Zambia to the South African Business Community. Over 50 Business Enterprises from both countries were in attendance.
9	Virtual Town Hall Meeting- Investing in the Tourism in Zambia	Objective of the meeting was to enlighten the Zambian Diaspora in the UK on procedural processes for investment the Zambian Tourism Sector. ZDA made a presentation at the event on the tax incentives available in the sector
10	First Edition of IPAs Africa Forum: Integration for Growth	With the view of sharing knowledge and best practice with regards investment promotions strategies. The Agency reported 7 leads from the G2G and B2G meetings held.
11	Presentation to the Nordic Countries	Promotion of Investment Opportunities in the Zambian Energy Sector
13	Zambians in the Diaspora, India	Dissemination information on the Investment Climate and Business Opportunities in Zambia to the Zambians in India
14	Annual Investment Meeting: Africa Edition	ZDA made a country presentation of investment and trade opportunities in SADC
15	African Diaspora Development Institute Webinar.	Promotion of investment opportunities in Zambia in the sectors of; Mining, Agriculture, Tourism and Manufacturing Sectors. Over 350 people were in attendance
<b>Facilitation of Fiscal Incentives</b>		
1	Recommendation for incentives	The Agency recommended 33 companies for fiscal incentives
2	Rebates	The Agency facilitated 59 rebates for 50 companies with ZRA for excise duty purposes
3	Leads	Seventy (70) leads were generated from investment promotion activities
4	Inquiries	Seventy-Six (76) inquiries were recorded from investment promotion activities
<b>Aftercare Services</b>		
1	Industrial Visitations	159 companies were engaged across the country
<b>MFEZ and Industrial Park Development</b>		
1	MFEZ / IP Approved	One MFEZ was approved for declared, 4 MFEZs in operation, 8 in pipeline; 2 IPs in operation and 2 in pipeline

## EXPORT FACILITATION AND MARKET DEVELOPMENT

During the period under review, the Agency linked 828 exporters from various sectors to export markets against a target of 240, representing an achievement of 345 percent. The performance was attributed to the enhanced collaboration with various stakeholders and partners in implementing strategic activities. These included: the Democratic Republic of Congo (DRC) trade mission in Congo DR; Intra-Africa Trade Fair (IATF) in South Africa; Macfrut Expo in Italy and Dubai Expo in United Arab Emirates (UAE).

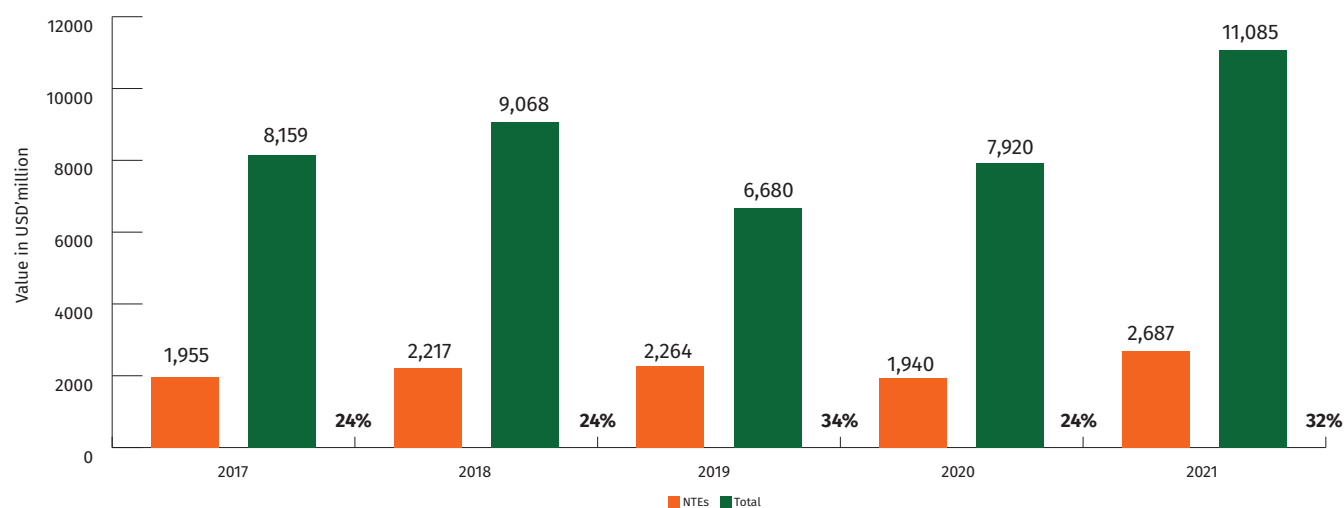
The key outputs from the above export programmes were the USD 43.60 million export leads, and USD 23.6 million orders from mainly Agro-processing sub-sector. The Agency facilitated for the actualisation of USD 43, 500 in export deals from 2 exporters during the Congo DR mission.

Further, the Agency facilitated for trade finance totaling USD 181,000 to 3 exporters all from the Agro-processing sector, through the Zambia Export Development Fund (ZEDF).

### Overall Performance of Traditional and Non-Traditional Exports

Zambia's total export earnings in 2021 were valued at USD 11.09 billion compared to USD 7.92 billion that was recorded in 2020, representing an increase of 40.03 percent. The value of Non-Traditional Exports (NTEs) increased to USD 2.69 billion in 2021 from USD 1.94 billion in 2020 representing an increase of 38.66 percent. The share of NTEs to total export significantly increased 27 percent in 2021 from 24 percent in 2020. The increase in NTEs was attributed to the resumption of trade due to the reduction of COVID-19 cases as well as the appreciation of the Kwacha which implied the reduction of cost of importation of inputs. Figure 11 gives a 5-year trend of Exports from 2017 to 2021.

**Figure 11: Zambia's Export Composition, 2017 - 2021**



Source: ZDA

### Sectorial Performance of NTEs

At sector level, Engineering and Foundry contributed the largest share of NTEs in 2021, accounting for USD 582 million, representing 22 percent of the total NTEs in comparison to the previous year which recorded USD 337 million and represented 18 percent of the total NTEs. This was followed by Processed and Refined Foods which recorded USD 504 million, representing 19 percent, then Chemicals and Pharmaceuticals recorded USD 403 million, representing 15 percent. Table 6 and figure 12 below show sectorial performance of the top ten NTEs in 2021 in comparison to 2020.



## Sectorial Performance of NTEs

At sector level, Engineering and Foundry contributed the largest share of NTEs in 2021, accounting for USD 582 million, representing 22 percent of the total NTEs in comparison to the previous year which recorded USD 337 million and represented 18 percent of the total NTEs. This was followed by Processed and Refined Foods which recorded USD 504 million, representing 19 percent, then Chemicals and Pharmaceuticals recorded USD 403 million, representing 15 percent. Figure 12 shows sectorial performance of the top ten NTEs in 2021 in comparison to 2020.

## Top Five (5) NTE Markets

The DRC continued to be Zambia's top destination with export earnings of USD 1.09 billion in 2021, compared to USD 894 million in 2020 representing an increase of 22.37 percent. The USD 1.09 billion represents a share of 41 percent of total NTEs in 2021 compared to a share of 33 percent of total NTEs in 2020. The second and third largest markets for Zambia's NTEs were South Africa and Zimbabwe valued at USD 262 million and USD 1.97 million, representing 10 and 7 percent respectively. The Rest of the World (ROW) accounted for the remaining USD 742 million representing 42 percent of total NTEs as depicted in figure 13.

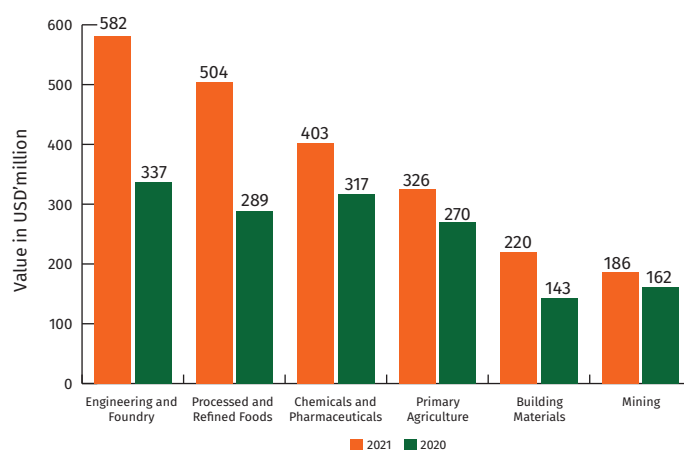
## Performance by Market Blocs

In 2021, Zambia's major export destinations by market bloc was dominated by trading partners within COMESA/SADC with exports amounting to USD 1.42 billion, representing 53 percent. In comparison to 2020 which recorded total of 1.11 billion was recorded representing 57 percent of the total market share, representing, 28.48 percent increase. This was followed by countries exclusively from SADC with USD 492 million representing 18 percent, while countries from Asia accounted for USD 272 million, representing 10 percent of the total market share. Amongst the selected trading blocs, exclusively COMESA countries accounted for the least share of exports amounting to USD 110 million in 2021 representing 4 percent of the total market share.

The analysis shows that the combined SADC and COMESA market continue to be Zambia's biggest trading partners and Zambia's membership to these bodies remain viable for Zambia's trade in terms of market access. The percentage distribution of Zambia's total exports by market bloc is depicted in figure 14.

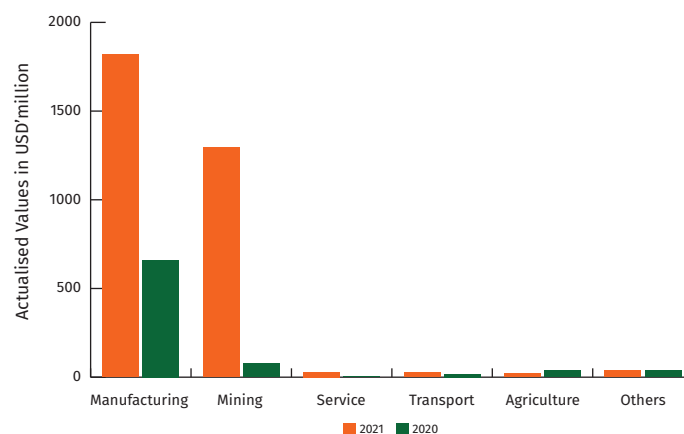
However, exclusively COMESA markets continued to lag behind SADC for various reasons which included among others; inadequate marketing due to insufficient funding and non-tariff barriers.

Figure 12: Sectorial Contribution to NTEs in 2021



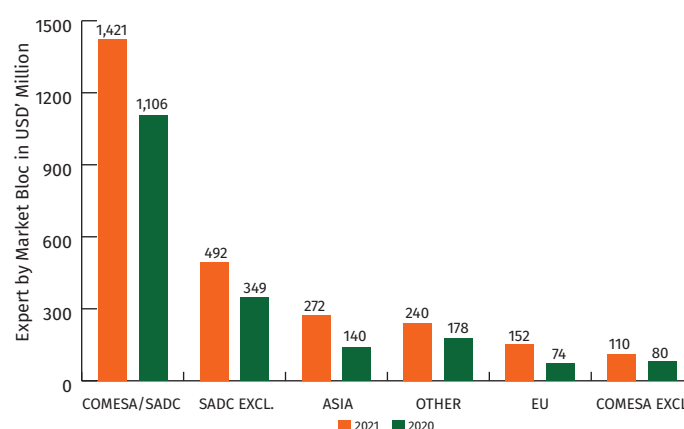
Source: ZDA

Figure 13: Top 5 NTE Export Markets, 2021 - 2020



Source: ZDA

Figure 14: Total Export Performance by Market Bloc 2021 -2020



Source: ZDA

## Key Interventions aimed at Export Promotion and Market Development

Several programmes were undertaken in collaboration with cooperating partners, where both existing and potential exporters were engaged on various programmes including but not limited to; capacity building, market intelligence, export promotion and market access through participation in various trade negotiation fora as shown in Table 7 below.

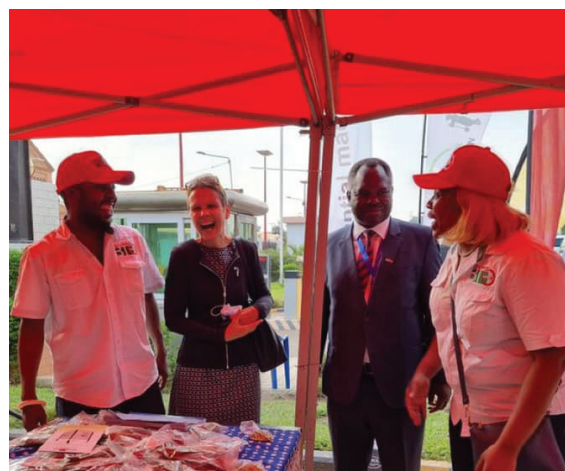
**Table 6: Interventions aimed at Promoting Exports and Market Development**

S/N	Interventions	Outputs
<b>Trade Promotion</b>		
1	2020 Dubai World Expo	30 Zambian companies exhibited; 20 trade and investment leads were recorded by December 31, 2021
2	Intra-African Trade Fair	7 Zambian companies from various sectors exhibited recording USD 960 thousand confirmed orders and USD 3.6 million unconfirmed orders
3	Macfrut and Vegetable Professional Expo	3 Zambian companies exhibited
4	DRC Trade Mission	58 Zambian companies participated, recording trade leads worth USD 43 million and export orders worth USD 23 million
<b>Virtual Platforms</b>		
1	Zambia Angola Business Forum	60 Zambian companies were linked to Angolan companies
2	Farm to Market Forum	28 Zambia companies in the agriculture and food processing sectors participated
3	Zambia-Italy Business Forum.	38 Zambian companies were linked to the Italian companies
4	Second China-Africa Economic Trade Expo	3 Zambian companies participated exhibited
<b>Export Capacity Building</b>		
1	ZDA- ZRA training on Rules of Origin	65 exporters were trained in issuance of certificates of Origin
2	Export Readiness Training	841 MSMEs were trained in export readiness and access to finance
3	ZDA-SATIHUB on linkages to South Africa and AGOA market.	28 Zambian companies trained in using Amazon and Albert Scott e-commerce platforms
4	Mentorship of exporters	16 exporters were mentored in developing export plans
<b>Access to Market Information</b>		
1	DRC Market Research information Dissemination	8 companies were surveyed and 147 participated in the dissemination workshop
2	Exporter Audit Survey and Dissemination	30 companies were audited in the Copperbelt, Eastern and Lusaka Provinces, while 147 participated in the dissemination workshop
3	Bulgarian Chamber of Commerce- Webinar	22 participated in the webinar explore export and investment opportunities in Zambia and linking private sector companies from both countries.
4	Canada and South Korea	40 companies participated in a webinar to explore export and investment opportunities in Zambia
<b>Market Access</b>		
1	Tripartite FTA	Agreement on TFTA Rules of Origin, Tariff Offers and Concessions
2	AFCFTA	Ratification of the Agreement done after participation in the negotiations
<b>Completion of AFCFTA implementation strategy done</b>		
<b>Access to Finance</b>		
1	Export finance	3 companies were provided with export finance by ZEDF totalling USD 181,000
2	Facilitation of financial linkages	528 exporters facilitated with financial linkages

## CONGO DR TRADE MISSION IN PICTURES



ZDA Acting Director General speaking at the official opening of the DRC Trade Mission at Hypnose Mall in Lubumbashi



Her Excellency the Ambassador of Finland to Zambia and ZDA Acting Director General share a light moment with exhibitors at the Congo DR Trade Mission.



Partnership Media Briefing for the Congo DR Trade Mission.



Vice Governor of Haut Katanga Province Jean-Claude Kamfwa Kim at the Official opening of the Zambia-Democratic Republic of Congo Trade Mission.



Finish Ambassador to Zambia speaking at the Congo DR Trade Mission Cocktail, Plush Pullman Karavia Hotel in Lubumbashi.



## RESEARCH, POLICY ADVOCACY AND STAKEHOLDER ENGAGEMENT

The Agency undertakes research, policy advocacy and stakeholder engagement aimed at identifying business constraints and advising Government through the Minister of Commerce Trade and Industry on policy formulation to improve the business environment.

### Research

The following are the research projects the Agency undertook during the period under review:



Director Policy and Planning Mr. Innocent Melu Speaking at the FPI-IF Dissemination Workshop.

### Client Satisfaction Survey

The Client Satisfaction Survey is the Agency's annual survey with an overall objective of determining the extent to which the Agency has been satisfying its clients' needs and expectations. The Agency conducted the survey involving 120 respondents including ZDA clients and cooperating partners which revealed an overall satisfaction level score of 77 percent in 2021, which is below the Agency's annual satisfaction target of 85 percent. This is in comparison to a satisfaction score of 67 percent recorded in 2020 representing, an increase of 14.93 percent in client satisfaction. The feedback received from the survey is used to develop and implement interventions aimed at enhancing service delivery and visibility of the Agency.

### Foreign Private Investment and Investor Perceptions (FPI & IP) Survey

The Agency, in collaboration with (BOZ) and (ZSA), undertakes the FPI & IP Survey annually aimed at assessing foreign assets and liabilities and to determine investor perceptions in Zambia. The 2021 survey revealed that peace and security, political stability, favourable tax regime, good infrastructure and non-fiscal incentives were identified by respondents as the main motivating factors for investing and re-investing in the economy. Despite the decline in the ease of doing business, interventions in the foreign exchange market and reduction in the policy rate by the Bank of Zambia were seen as positive measures that supported business activity. However, the survey revealed that the increase in the rate of withholding tax on dividends, interest earned and remittance of profits to non-residents and rising

public debt had adverse effects on businesses. In addition, the survey revealed that the Covid-19 Pandemic negatively affected investments by limiting access to markets and raw materials. Overall, the survey revealed an investor dissatisfaction of -21.6 percent, particularly in the Financial, Manufacturing and Service sectors.

### ZDA-Musika Agri-Business Acceleration Initiative Field Survey

The Agency in collaboration with Musika undertook a baseline survey of the Musika Agri-Business Acceleration Initiative (AAI) Project. The survey was undertaken in five (5) provinces of Zambia namely; Northern, Luapula, Southern Eastern and Central. The significance of the survey was to provide empirical evidence on the needs of the MSMEs under the AAI project and migrating the projects to ZDA enterprise development services for project sustainability. Furthermore, this survey provided a direct means of subsequently engaging customers through the provision of their comments and suggestions, thus providing potential targets for follow-ups by ZDA.

### Submission of Papers

The Agency submitted informed papers on the following:

- Concept Note on areas of collaboration between ZDA and the Ministry of National Development Planning's Departments of Development Cooperation and Monitoring Evaluation;
- Baseline Survey/Needs Assessment Concept Note intended to inform the design of a 5 years Agribusiness Acceleration Project. The baseline will be jointly funded under NORAD and SIDA agricultural support targeting 5 sampled provinces namely Northern, Luapula, Eastern and Southern Provinces; and
- Concept Note for the Establishment of Industrial Research, Technology and Innovation Centres at Universities in Zambia. A partnership initiative involving ZDA, Ministry of High Education and Ministry of General Education

### Product Profiling

The Agency updated 8 product profiles. The aim of these profiles was to provide detailed information on the selected products to aid current and potential exporters on product investment opportunities that exist in various products.

## Policy Advocacy

One of the key mandates of ZDA, according to the ZDA Act No. 11 of 2006, is to provide a platform for private-public dialogue, private-private dialogue, and public-public dialogue in relation to improving the business environment. During the period under review, the Agency facilitated and participated in a number of consultative meetings and developed papers addressed to different stakeholders, as summarized in Table 8 below.

**Table 7: Summary of Papers and Outcomes, 2021**

S/N	Title of Paper	Thematic Area/Issues Addressed/Raised	Addressed to:	Outcomes/
<b>Results</b>				
1	2021 Private Capital Flows and Investor Perception Survey report	Measure the levels of capital inflow and outflow in the economy as well as the investor perception of the investment climate in Zambia	BOZ, ZSA	141 companies were surveyed. Report was published and disseminated
2	AfCFTA Research with MCTI	Readiness of industry for the implementation of the AfCFTA	MCTI	10 companies and 2 business associations surveyed. Report was submitted
3	Analysis of COMESA framework on MFEZs	Promotion of investment, trade and enterprise	COMESA	Draft Framework was completed after ZDA input
4	Analysis of Tobacco Control Bill	Control of tobacco use	MCTI	Bill is still under consideration
5	Concept note on Private Sector Liaison Forum	Enhanced private sector engagement	MCTI	Concept for submitted to MCTI for approval
6	Analysis of SADC peer review economic policy framework	Enhancing economic performance	MOF	Peer review of Zambia's economic performance was concluded after ZDA input
7	Product Profiles	Promotion of investment	ZDA	Profiles were completed
8	Investor Guide	Promotion of investment	ZDA	Guide was completed
9	ZRA Policy Brief	Collaboration between ZRA and ZDA	MOF	Brief was completed and disseminated
10	Grant Thornton Analysis	Zambia's Economic performance	GT	Analysis was completed and disseminated
11	Center for Trade and Policy Development (CTPD) economic analysis	Zambia's Economic performance	CTPD	Analysis was completed and disseminated
13	Memorandum to the Committee on National Economy, Trade and Labour matters on ratification of the AfCFTA.	Ratification of the AfCFTA	MCTI	AfCFTA was ratified after ZDA input
14	Ministry Of National Development and Planning (MNDP) Concept Note	Collaboration between ZDA and MNDP	MNDP	Concept was completed and approved
15	Client Satisfaction Survey research conducted	To measure levels of client satisfaction Produced for the Board	ZDA	Report was completed. Overall satisfaction level of 76% was reported
16	Report on the ZDA-Musika Agri-Business Acceleration Initiative Field Survey	Baseline Study	MUSIKA	Report was completed and disseminated
17	2022 Budget Analysis	Review the proposals in the Budget in relation to the ZDA Mandate	MOF	Budget approved after ZDA input
18	Policy brief on reservation schemes	Comparison of Reservation Schemes in Africa	MCTI	Brief was approved and disseminated

Source: ZDA

## Stakeholder Collaboration

In order to enhance operational and service excellence, ZDA continued to leverage on collaboration with key and strategic stakeholders in line with its strategic objective of enhancing stakeholder engagement. This includes partnerships with both public and private institutions, international organizations, academia, think-tanks, and the media, among others.

The Agency worked closely with development partners with matching priorities in the implementation of policy advocacy, joint-programs, joint ventures facilitation, financial and technical support. Our key stakeholders included the following:



**Government Ministries** such as Foreign Affairs, Lands and Natural Resources, Agriculture, Energy and Water Development, Transport and Communications, Finance, National Development Planning and Commerce Trade & Industry.

**Government Agencies** such IDC, ZRA, BOZ, ZEMA, WARMA, NAPSA, ZSA, ZABS, ZESCO.



**Development Partners:** Foreign Missions Accredited to Zambia, Zambian Missions Abroad, World Bank, EU, COMESA, SADC, JICA, ILO, UNCTAD, UNECA, UNDP, USAID, ITC,.



**Civil Society Organisations:** VSO Zambia, PUSH, Hivos, WECREATE, PACT Zambia



**Business Associations:** ZACCI, ZAM, ZEGA, ZNFU, ZACSMBA, and Federation of Small Scale Miners;

**Media:** ZNBC, Zambia Daily Mail, Times of Zambia and Daily Nation, among others.





During the period under review, six (6) MOUs were executed with the aim of enhancing collaboration, coordination, promotion, information sharing, investment, enterprise development and facilitation of trade.

**Table 8: MOUs and SLAs Executed**

S/N	Name of Service Provider	Type (MOU/SLA)	Overall Purpose
1	Zambia China Economic, Trade Cooperation Zone Development Company Ltd; Zhejiang China Commodity City Group Company Ltd; and Belt and Road Joint Research Center	MoU	To establish a framework of collaboration aimed at fostering trade relations between China and Zambia through the establishment of an E-Commerce Platform
2	Zambia National Commercial Bank (ZANACO)	MoU	To facilitate the provision of various BDS to MSMEs to enhance their business performance and improve competitiveness
3	ABSA	MoU	To help MSMEs access affordable and appropriate financial services
4	Confindustria Assafrica & Mediterraneo of Italy	MoU	To promote trade and investments between Zambian and Italian Companies
5	Trade Facilitation Office Canada (TFO Canada)	MoU	To build the capacity of Trade Support Institutions and small and medium-sized exporters in the developing world, especially women-led enterprises and contribute to economic growth and poverty reduction
6	Technoserve	MoU	To facilitate access to BDS for MSMEs

Source: ZDA



ZDA staff posing for a photo with Copperbelt University after signing an MoU

## PUBLIC RELATIONS AND COMMUNICATION

The ZDA undertook a number of public relations interventions to enhance communication with various stakeholders, clients and partners. These included television and radio programmes, social media engagements, media relations, branding/advertising, corporate publications, website, trade exhibitions, success stories, partnerships, digital communication and other events, which enhanced the visibility and corporate image of the Agency. The various visibility tactics employed resulted in 5,318,330 users accessing trade and investment information.

During the year under review, the Agency used a number of campaigns to increase visibility resulting in 5,318,330 users accessing investment, trade and enterprise development. Some of the visibility tactics used include: television programs, traditional and social media, media relations, event management, digital communications, website management, promotional materials and corporate publications, media briefings/engagements and corporate branding.

Table 9 below highlights some of the key interventions employed to increase ZDA's visibility.

**Table 9: Some of the Interventions for Increasing Visibility**

SN	Intervention	Output
1	Television Programmes	5,261,507 people were reached per episode. 29 episodes of Investment Trends were aired and subsequently uploaded on the Agency's YouTube channel.
2	Social Media engagements	56,518 followers reached via Facebook, LinkedIn, Twitter, YouTube revived, Instagram
3	Press Releases	30 Press Statements were shared with the media and were also posted on the website and social media.
4	Media Breakfast	The Agency held a media briefing to announce the performance of the Agency for 2020 and 2021 outlook
5	Corporate Branding	Product brochures for Honey, Cashew Nuts, Mango, Tomato and Organic Fertilizer were produced Pop-up banners, web banners, telescopic flags, delegate bags and inserts, shirts and caps for both local and international events.
6	Exhibitions and shows	The Agency took part in various exhibitions and shows to increase awareness of our new corporate brand through face-to-face interactions with our clients, stakeholders and partners.

Source: ZDA

Furthermore, the Agency undertook one Corporate Social Responsibility (CSR) activity in partnership with Cure-chem Zambia Limited and Hanan Hygiene Chemicals Limited. Through the partnership, the Agency donated a total of 860 Litres of assorted Cleaning Chemicals valued at over K40, 000 to female inmates at the Lusaka Central Correctional Centre. The donation was aimed at improving the hygiene levels among female inmates at the correctional facility in the wake of Covid 19 Pandemic. ZDA recognises that CSR is crucial to its values, operations and in projecting the Agency's commitment to its key stakeholders and clients.



ZDA in partnership with CureChem Zambia Limited and Hanan Hygiene Chemicals Limited donated a total of 860 litres of assorted cleaning chemicals valued at K40,000 to the Lusaka Central Correctional Centre.



## PUBLIC RELATIONS AND COMMUNICATION IN PICTURES



Hanan Hygiene CEO Susan Mudenda explains to inmates how to use the donated chemicals.



ZDA Staff at the Lusaka Business Expo



2021 First Quarter Media Briefing on the Agency's 2020 performance and 2021 outlook.



## SUCCESS STORIES - CASE FOR IMPACT INVESTMENT

Six (6) companies supported by the Agency were sampled and featured as success stories based on their contribution to national development in terms of undertaking Local Business Development Programmes (LBDP), actualisation of projected jobs and investments, contribution to treasury through taxes, pensions and exports.

### Seafood Fisheries and Lake Farms Limited



Seafood Fisheries and Lake Farms Limited is a ZDA registered enterprise in the agriculture sector and agro-processing subsector based in Siavonga district of southern province with an outlet in Makeni Lusaka Province. The enterprise is operated by Muzalema Mwanza and has 10 permanent workers who are responsible for both the cages on Lake Kariba and marketing of the products. The enterprise uses fish cages as well as open Lake to get the needed fish for the processing. The fish is processed into fish sausage and fish fillet while crayfish shells are processed into animal feed. ZDA has been instrumental in the growing of the enterprise through entrepreneurship skills training and business support services. One such service was the financial linkage to the Zambia Agribusiness and Trade Project (ZATP) which provided funds to secure fish cages, a delivery truck and build a cold room. The enterprise has since graduated from being a small to a medium enterprise and now engages the local fishermen's wives in sorting out the crayfish, thereby helping generate household income.

### Kunowa Essential Oil Limited

Kunowa Essential Oil Limited is a ZDA registered enterprise in the manufacturing sector, agro-processing subsector and managed by Ms. Febby Sambo. The enterprise is located in Lilayi, Lusaka Province with 10 permanent employees. It is into processing of organic essential oils from local indigenous fruits known as Mungongo which are found in abundance in Mwandi District in Western Province of Zambia. Kunowa engages over 50 women as gatherers of the fruit, thereby, indirectly contributing to their household income generation. Through the ZDA, the enterprise



has accessed technical trainings, business support services including access to both local and international markets such as DRC and Malawi. Further, Kunowa has accessed financial support from Market Connect which enabled them to expand their operations.

### Shaïs Enterprise Limited Company



Shaïs Enterprise is a ZDA registered enterprise operated by Mirriam Nalomba in the manufacturing sector, agro-processing subsector and located in Lusaka Province. The enterprise is specialised in food products such as instant porridges and cereals which come in meal packs. The enterprise has a total number of 15 permanent workers and through ZDA facilitation, they are working with the FAO to access markets for their products. Through ZDA, the enterprise has graduated from small to medium and now accommodates 100 out-grower schemes for millet, sorghum and cassava in Mumbwa, Mpika, Kasempa and Chibombo. ZDA facilitated a financial linkage to Prospero through which a processing plant was acquired.

### Mpeni Investment Limited

Mpeni Investment Limited is a ZDA registered enterprise





operated by Joyce Tembo, located in Lusaka Province. The enterprise is in the agriculture sector and deals in livestock, aquaculture, banana plantation and dairy production. Mpeni has 12 permanent employees in charge of both the operations at the factory and marketing of products. ZDA has been instrumental in the graduating of the enterprise from small to medium through various interventions such as entrepreneurship skills training and business development support. One notable ZDA intervention was the facilitation of financial access for the building of a fish cold room. Through its CSR initiatives, the enterprise gives back to the community through supporting agriculture graduates and international volunteers get practical work at their farm in both aquaculture and general agriculture.

### Agri-CM Investment Limited



Agri-CM Investment Limited is a ZDA registered enterprise in agriculture sector located in Lusaka and Southern Provinces. The enterprise is in the distribution of quality VET products, helping both small scale and commercial farmers to access

medicines (Drugs), vaccines, equipment, and service for their livestock, poultry and Artificial Insemination (A.I) kits. The enterprise has 12 permanent employees. The Agency facilitated access to finance for the enterprise from Prospero under the Covid-19 relief funds and from MNDP. These finances enabled them to increase their distribution capacity, partnering with manufacturers of pharmaceutical products in India and South Africa. The enterprise graduated from being a micro enterprise to large.

### Lyeni Investments Limited



Lyeni Investments is a ZDA registered enterprise in the manufacturing sector and agro-processing subsector and specialised in processing of cooking oil. The enterprise is managed by Edna Chama and is located in Mumbwa, Central Province. It has graduated from being a small to a medium enterprise, employing 50 permanent female employees and over 100 casual workers. ZDA has provided entrepreneurship skills training and business support services. With support from the World Bank, the enterprise has acquired an oil processing plant. Through the ZDA, the enterprise has been linked to both domestic and international markets, with the most recent linkage to DRC through the trade mission. Through the ZEDF, the enterprise accessed export finance for oil processing and supply. In terms of local business development programmes, the enterprise supports an out-grower scheme of about 3,000 rural women under the Supreme Multi-Purpose cooperatives in Chibombo, Mkonchi, Kasempa and Kalomo.



## TOWARDS SERVICE EXCELLENCE

In 2021, ZDA improved its business processes and procedures aimed at improving service delivery to facilitate trade and investment in key sectors of the economy, as outlined in the ZDA Strategic Plan.

**The Agency continued to implement the following key initiatives during the period under review:**

**a. Encouraged increased use of e-platform services**

In order to optimize the use of technology, the Agency encouraged customers to increase the use of ZDA's e-platform services. An e-services portal was enhanced on ZDA website and e-platform service charter developed and disseminated to encourage customers and stakeholders to optimize the use of online services. The services included among others electronic processing of application for ZDA certificates of registration, permits and payments.

**b. Creation of a Business Directory**

In order to enhance capacities on data collection, analysis and policy advocacy through regular updates of the FDI business directory. This will be integrated to other survey operations for analysis and data visualization tools. UNIDO supported the Agency with technical and material support in creating the Business Directory and of the 993 companies sampled, the Agency by December 31, 2021, uploaded 350 companies into the database.



A team from the African Export-Import Bank (Afreximbank) during a courtesy call on the Zambia Development Agency (ZDA) Acting Director General Albert Halwampa.



Zambia – Egypt Business Linkages Forum.



Delegation led by Acting Minister of Commerce, Trade and Industry Hon. Mutotwe Kafwaya M.P. during an industrial tour of selected companies operating in the Lusaka South Multi Facility Economic Zone.



## OUR PEOPLE – OUR ASSETS

### “Ambition never ends.” – Kenneth David Kaunda

ZDA is committed to being a decent employer of choice. We promote equal employment opportunities through organization-wide policies and practices for equity, fairness and diversity. Further, we are dedicated to fostering a sound working environment in which all employees can develop and achieve their fullest potential.

The Agency's establishment stood at 57 employees out of an approved establishment of 121 staff representing a 47 percent staffing level as at December 31st, 2021. In the year under review, there were no staff recruitments, however, there were six (6) staff separations. In addition to the financial challenges faced by the agency, the lack of recruitment persisted due to the temporary suspension of employment by Government.

### Capacity Building

The Agency facilitated training of 57 members of staff and 15 Board Members in various capacity building programmes as highlighted in the table below:

**Table 10: Human Capital Training and Development**

N/S	Type of Training	No. Trained	Objective(s)
1	Corporate Governance	22	Train Directors and Board Members on Best Practice on the regulation and governance of quasi government companies
2	Market Price Index and Price Rationality workshop	8	Training on new ZPPA Regulations on Procurement Procedures for all government institutions
3	Judicial decisions affecting Human Resource Practice in Zambia	3	Judicial decisions regarding gratuity and pension, COVID-19, Disciplinary cases hearings and Employee Handbook
4	Masters in Strategic Management	1	Staff development and capacity building
5	Development of an FDI Business Directory	8	Preparation for the development of the Business Directory and its benefits
6	Investment Promotion Best Practices	8	To strengthen investment promotion and facilitation capacities and expand after care services
7	Investment Promotion	2	Best practices in attracting investment promotion during and post Covid-19
8	Gender Equality and Social Inclusion	21	Gender Policy Formulation and Implementation

Source: ZDA

### Health and Wellness Event

**The Agency held one (1) Health and Wellness event on 17th September, 2021 at the ZDA premises themed ‘Innovation and Integration’**

The workshop was designed to provide specific practical skills and guidance to equip individuals with knowledge and skills on how to effectively deal with mental health issues in life. Other activities included: aerobics exercises, specific type of aerobics were performed to promote good health, fitness and mental well-being; Medical Checkups by Sanlam Medical Insurance- Members of staff checked their Blood Pressure readings, Body Mass Index (BMI); chats on insurance policies that employees can consider for themselves and their families e.g. Retirement Annuity, Credit Life Policy, and Family Protection Plan; Micro Finance Zambia were invited to showcase their new product offering called Gulani Loans in which they are able to provide finance for home and farm equipment; and routine eye checkups and staff were advised accordingly.





ZDA staff led by Acting Director General, Mr. Albert Halwampa, during Team Building Event at Nkwashi.



Acting Director General, Mr. Albert Halwampa enjoying a Soccer Match during the Team Building at Nkwashi.



ZDA staff after a bicycle relay at the Team Building at Nkwashi.



ZDA Staff during the Wellness and Fitness Day at the ZDA premises.



## OUTLOOK FOR 2022

### Global Outlook

The global recovery in the aftermath of the peak of the COVID-19 Pandemic is expected to decelerate with global growth expected to be moderate at 4.1 percent in 2022. This is attributed to continued supply bottlenecks, whose resolution protracted due to fears of flare-ups of new variants of COVID-19. The persistence of reduced but significance financial risk is expected to prolong the financial stress of the private sector and curtail fiscal support by Governments, which may be exacerbated by record-high global debt levels. High levels of debt are expected to trigger widespread deleveraging policies by Governments, which may further reduce global aggregate demand and elevate inflation.

Importantly, global growth is expected to be furthered curtailed by the Russia-Ukraine war that may elevate both non-food inflation as the world weans itself off Russian oil and gas, as well as food inflation since Ukraine is the sixth largest wheat producer in the world. The conflict may increase global risk aversion, thus freezing credit markets thereby reducing the availability of investment finance. Escalation of the crisis threatens a global recession and inflation.

### Zambia's Economic Outlook

According to the Minister of Finance during his 2022 Budget Speech, GDP is expected to grow by 3.5 percent in 2022. This forecast is premised on increased global recovery after the peak of the COVID-19, although widespread supply bottlenecks persist due to delays by other countries in relaxing the mitigation measures that were put in place in response to the Pandemic. Importantly, the record-high copper prices are expected to continue as the world gradually moves towards the use of electric power sources. Copper prices are also expected to be elevated by the Russia-Ukraine conflict that has already raised some commodity prices by 60 percent. Escalation of the crisis may translate into increased demand for copper, which is used to manufacture weapons.

Overall, the year is expected to be characterised by relative macro-economic stability on the backdrop of the IMF support programme and the associated restoration of investor confidence. Importantly, strategic interventions in the Agriculture, Tourism, Mining, Manufacturing, Energy, and Transport sectors are expected to stimulate investment. In addition, the enhancement of investment incentives such as reducing the corporate income tax to 30 percent; reduction of investment threshold to USD 50,000; and the zero rating of income tax for exporters in special economic zones, are expected to increase the participation to Zambians in the economy and increase NTEs.

### ZDA's Outlook

The ZDA 2022 work plan outlines the key interventions, processes and tasks that the Agency envisions to undertake in order to achieve the desired results that ultimately feed into the Vision 2030. In order to demonstrate how the immediate results, contribute to the desired medium to long term objectives, an M & E framework is attached for ease of reference (Appendix 2).

#### Key Planned Interventions and Expected Results

##### i. Development of Micro, Small and Medium Enterprises

The ZDA will focus on enhancing the growth and development of MSMEs for wealth and job creation. 5,000 MSMEs and cooperatives will be provided with BDS services including business clinics, business advisory services, business formalization and product development support, among others. The Agency plans to build the capacity of 204 MSMEs in product development and to train 1,780 MSMEs in entrepreneurship and business management. Further, 80 MSMEs will be provided with business and market linkages while facilitating participation of 800 MSMEs including women and youths in value chains.

##### ii. Investment Promotion and Facilitation

The Agency will continue to promote and facilitate both local and foreign direct investment while enhancing partnerships and joint ventures for wealth and job creation, access to finance, as well as technology and skills transfer. ZDA plans to enhance business facilitation that will result in increased investment registrations to 300 enterprises. The Agency will promote investment through facilitation of local and international business fora for the private sector, including the Zambia International Trade Fair (ZITF); Copperbelt Agriculture, Mining and Trade Expo (CAMINEX); Zambia-South Africa Business Forum; among others, that will steer investment interests in various sectors of the economy. The Agency plans to facilitate virtual business fora for 18 targeted destinations, while enhancing collaboration with foreign missions accredited to Zambia and Zambian Missions abroad. The Agency will profile and promote the establishment of the Green and Technical Packaging Centre to potential investors. Additionally, the agency intends to collaborate with cooperating partners in the profiling and promotion of various other projects. ZDA further plans to monitor the development of special economic zones (MFEZ/IP), while facilitating and promoting investment in the zones, including Farm Blocks.



### iii. Export Promotion and Development

The Agency will continue to facilitate and promote trade while enhancing market access to potential and existing exporters of NTEs to regional and international markets. To steer export potential, ZDA targets to build the capacity of 240 exporters in export readiness, which will result in at least 60 exporters accessing foreign markets. Further, the Agency will facilitate private sector participation in business-to-business (B2B) fora at various international platforms, including accelerating the implementation of the N8+1 region, exhibitions such as the MacFrut and DRC trade missions, among others. The Agency will continue to provide trade information to exporters through various platforms such as the ZDA website. Further, the Agency will continue to facilitate expansion of market access through participation in trade negotiations at bi-lateral and multi-lateral levels.

### iv. Policy Advocacy, Research, and Monitoring and Evaluation

The Agency will continue to be a strategic pillar in driving Zambia's private sector development through the provision of accurate and timely investment, trade and enterprise development information. In this regard, the Agency will undertake economic research, enhance stakeholder engagement, policy analysis and advocacy. The Agency will profile trade and investment opportunities by packaging the information into product, sector and export profiles respectively. It will continue to collaborate with research institutions to generate evidence-based information aimed at enhancing its policy advocacy function. In addition, the Agency will enhance its monitoring and evaluation function in order to determine levels of actualised investment, jobs, technology and skills transfer. Specifically, the Agency plans to monitor 200 enterprises comprising large, MSMEs, exporters and IPPA holders. Through this process, the Agency will track other economic benefits from their operations such as local business development, joint-ventures, contribution to the treasury and social security, amongst other areas. Public-private dialogue will be strengthened in order to improve the business environment through engagements with stakeholders. In this regard, the Agency will facilitate quarterly private sector liaison fora to discuss and address business constraints that may be identified in different sectors. Further, the Agency will strengthen its resource mobilization efforts through increased partnerships with cooperating partners and other stakeholders.

### v. Management and Support Services

The Agency has seven (7) key management and support service functions related to Board Secretarial and Legal Services, Procurement, ICT, Human Resources, Public Relations and Communication, Systems Assurance, and Finance and Administration. The overall objective of these functions is to improve corporate governance, operational

and business processes in order to enhance service delivery to clients and stakeholders.

In order to promote sound corporate governance, the Agency will continue to provide secretarial services to the Board and its Committees while providing legal services that will protect the Agency's interests. In addition, the Agency will continue to ensure the implementation of competitive and fair procurement processes.

The Agency will enhance its internal support systems that are aimed at safeguarding assets, ensuring reliability of accounting data, accurate financial reporting and the promotion of operational efficiency. Furthermore, the Agency will ensure that staff have adequate tools and supplies. The interventions aimed at enhancing staff welfare include team building, skills enhancement through training, coaching and mentorship. Also, the Agency will implement a Business Understanding Programme (BUP) that will expose its staff to updated information on the business environment, including changes in the macroeconomic, policy, legal, corporate and business environments, to mention a few.

The Agency will continue to strive to integrate and mainstream the rollout of the Brand in all services provided by the Institution. In this regard, all activities and tasks in enterprise development, investment, exports, and policy, planning and research and management support services will mainstream the ZDA Brand. Further, the Agency's visibility and corporate image will be enhanced through engagement with media houses, improved publicity through regular media briefings, publications such as newsletters, and production of promotional materials. The Agency will also utilize all planned trade, investment and enterprise development and promotion activities to enhance its visibility and sensitization of the public on its mandate and the service profile.

In realigning with the New Dawn Government focus on trade and investment, the Agency will introduce trade and investment week in September 2022. The trade and investment week is aimed at repositioning Zambia as a trade and investment hub through ensuring the buy in of the ZDA mandate at the highest Government level. The trade and investment week will culminate into the Presidential Awards Gala Dinner for the most deserving investors and exporters.

# Appendix 1: Monitoring And Evaluation Result Framework

Annex 1: ZDA's M&E Results Framework

ZAMBIA DEVELOPMENT AGENCY

## M and E Logical Framework

	Results Chain	Indicators	Baseline (2018)	Target (2022)	Current Value (2021)**	Source and Means of Verification	Assumptions
Overall Objective: Impact	To facilitate trade and investment, and enterprise development for economic diversification, decent and sustainable job creation in Zambia.	Proportion of women and youth participating in business and market linkages (percent)	Women: 37	30	30	ZDA Annual Report	(i) Optimal organisation structure. (ii) Adequate skilled and committed staff. (iii) Decentralisation of ZDA operations. (iv) Timely and adequate mobilisation of resources. (v) Timely and adequate funding from Treasury. (vi) Continued political stability. (vii) Continued support from Cooperating Partners and other key stakeholders. (viii) Enactment of ZDA Bill and ITED Bill into law
			Youth: 27	40	34	ZDA Annual Report	
		Foreign Direct Investment as percent of GDP	1.50	3.50	2.36	BOZ Annual Report	
		Share of NTEs to Total Exports (percent)	24.45	30.00	27	ZSA Bulletin	
Outcomes (Specific Objectives)	Specific Objective 1 (SO1): To facilitate the growth and development of MSMEs to wealth and job creation	Capital Invested/actualized investment (ZMW, million)	3.26	10.00	3,331	ZDA Annual Report	
		No. of actualized jobs	5,485	5,000	66,457	ZDA Annual Report	
	Specific Objective 2: To promote and facilitate targeted (re-) investment for wealth and job creation in key sectors	Value of actualized investment (USD, million)	40.4	1,000.0	3,228	FPI and IP Survey	
		No. of actualized jobs	20,004	20,000	66, 457	ZDA Annual Report	
	Specific Objective 3: To increase penetration of NTEs into regional and international markets	Value of NTEs (USD, billion)	1.95	3.85	2.69	ZSA Bulletin	
	Specific Objective 4: To enhance structured research, monitoring and evaluation, and business intelligence for evidence-based decisions	No. of Ministerial and Parliamentary Submissions	3	10	6	ZDA Bill; ITED Bill; Parliamentary Papers	
		Integrated planning and robust M&E system	1	1	1	Strategic Plan ZDA Annual Report	

	Results Chain	Indicators	Baseline (2018)	Target (2022)	Current Value (2021)**	Source and Means of Verification	Assumptions
Outputs	S01: To facilitate the growth and development of MSMEs for wealth and job creation						
	Output 1.1: MSMEs provided with Business Development Support (BDS) services leading to Business Formalisation	1.1.1: No. of MSMEs accessing BDS services	4,126	5,000	4,079	ZDA Annual Report	Adequate resources to execute planned activities
		1.1.2 No. of MSMEs formalised	57	80	172	ZDA Annual Report	
		1.2.1: No. of tailor-made business development service programme developed	0	2	7	ZDA Annual Report	
	Output 1.2: MSMEs capacity built and competitiveness enhanced	1.2.2: No. of MSMEs receiving Capacity Development Support	932	1,780	622	ZDA Annual Report	
		1.2.3: No. of products developed	3	2	4	ZDA Annual Report	
		1.2.4: No. of MSMEs provided with Aftercare services	15	50	128	ZDA Progress Report	
		1.2.5: No. of MSMEs accessing Business Intelligence and Market Information	1,683	1,000	1,231	ZDA Annual Report	
		Output 1.3: MSMEs business and market linkages enhanced	1.3.1: No. of MSMEs linked to markets (A2M)	83	80	268	
	1.3.2: No. of MSMEs linked to finance (A2F)		63	80	528	ZDA Progress Report	
	1.3.3: No. of MSMEs engaged in Agro and Forestry based processing and manufacturing		0	500	491	ZDA Progress Report	
	S02: To promote and facilitate targeted (re-) investment for wealth and job creation in key sectors						
	Output 2.1: Targeted investment and re-investment attracted in key sectors of the economy - matching investors to opportunities	2.1.1: No. of Investment Missions facilitated	8	8	8	ZDA Progress Report	Adequate resources to execute planned activities
		2.1.2: No. of Local Investment Missions undertaken	6	6	6	ZDA Progress Report	
		2.2.1.1: No. of Investment Projects registered	401	540	350	ZDA Annual Report	
	Output 2.2: Enhanced Aftercare and Business Facilitation for (re-) investment and business expansion	2.2.1.2: Value of projected investment (USD, billion)	4.82	3.50	3.33	ZDA Annual Report	
		2.2.1.3: No. of projected jobs	27,560	20,000	22,585	ZDA Annual Report	
		2.2.1.4: No. of Investment Renewals	24	n/a	22	ZDA Annual Report	
		2.2.1.5: Value of Re-Investments (USD, billion)	205	n/a	2.34	ZDA Annual Report	
	Output 2.3: Economic Zones Developed and Promoted	2.2.2: No. of Aftercare visits	-	25	159	Activity Reports	
		2.3.1: No. of MFEZs/IP Approved	5	2	4	LPCA Reports	
		2.3.2: Value of investment in MFEZs/IPs (USD, billion)	-	-	3.74	ZDA Annual Report	



	Results Chain	Indicators	Baseline (2018)	Target (2022)	Current Value (2021)**	Source and Means of Verification	Assumptions
Outputs	SO3: To increase penetration of NTEs into regional and international markets						
	Output 3.1: Increased penetration of NTEs into regional and international markets	3.1.1: No. of Exporters (incl. MS-MEs) linked to export market	113	n/a	841	ZDA Annual Report	Adequate resources to execute planned activities
		3.1.2: Value of new exports deals (USD)	6.17	n/a	43,500	ZDA Annual Report	
		3.1.3: No. of trade issues mediated upon	-	-	-	ZDA Annual Report	
	Output 3.2: Enhanced capacity and competitiveness of exporters to participate in regional and international markets	3.2.1: No. of exporters participating in export readiness and other capacity building sessions	43	50	828	ZDA Annual Report	
		3.2.2: No. of NTE products developed	3	2	3	ZDA Annual Report	
		3.2.3: No. of Exporters (incl. MS-MEs) linked to export financiers	-	-	528	ZDA Annual Report	
		3.2.4: No. of users accessing electronic trade info.	38,846	100,000	5,318,330	ZDA Annual Report	
	SO4: To enhance structured research, monitoring and evaluation, and business intelligence for evidenced-based decisions						
	Output 4.1: Enhanced structured research, policy analysis, and business intelligence to inform policy and business processes	4.1.1: No. of country export profiles produced	n/a	9	9	ZDA Progress Report	Timely and adequate reporting
		4.1.2: No. of product profiles produced	n/a	6	8	ZDA Progress Report	
		4.1.3: No. of sector and industry profiles produced	7	18	8	Sector Profiles	
		4.1.4: No. of research and policy analysis produced	2	4	6	ZDA Progress Report	
		4.1.5: No. of information packs produced	1	1	1	FPI&IP survey	
		4.1.6: Customer Satisfaction Index	72percent	80percent	77percent	CSS Report	
	Output 4.2: Enhanced planning, monitoring and evaluation of programme interventions in trade and investment, and enterprise development	4.2.1: No. of enterprises monitored (MSMEs and Large)	112	200	201	M&E Reports	
		4.2.2: No. of enterprises with IPPA monitored	0	10	0	M&E Reports	
		4.2.3: No. of M&E reports produced	4	4	16	M&E Reports	
		4.2.4: No. of CORs/Permits revoked	0	10	0	M&E Reports	
		4.2.5: No. of reports produced and approved by the Board	5	5	5	ZDA Annual Report and ZDA Progress Reports	
		4.2.6: Strategic Plan and work plan produced	2	2	2	Strategic Plan Annual work plan	

	Activity Matrix	Means and Costs	Assumptions
Activities	Activity 1.1.1: Provide Business Development Support (BDS) services to MSMEs	Means: - Internal Business Processes	i) Optimal organisation structure.
	Activity 1.1.2: Conduct Business Clinics for Business Formalisation		
	Activity 1.2.1: Develop tailor-made business development service programme	i) CRM enhanced.	ii) Adequate skilled and committed staff.
	Activity 1.2.2: Conduct entrepreneurship and business management training, coaching and mentorship of MSMEs	ii) COR process re-engineered.	
	Activity 1.2.3: Facilitate product development support for MSMEs	iii) Capacity built to use applications.	iii) Timely and adequate mobilisation of resources.
	Activity 1.2.4: Undertake site visits to MSMEs to provide Aftercare services		
	Activity 1.2.5: Facilitate to Business Intelligence and Market Information (BIMI)	iv) SAGE enhanced.	iv) Timely and adequate funding from Treasury.
	Activity 1.3.1: Facilitate business and market linkages for MSMEs	v) SOP utilized	
	Activity 1.3.2: Facilitate linkages of MSMEs to financiers		
	Activity 1.3.3: Facilitate linkages of MSMEs to local and regional value chains		
	Activity 2.1.1: Facilitate Targeted Investment Missions (incl. participation in States visits)	Costs:	ii) Operational Costs
	Activity 2.1.2: Facilitate Local Investment Missions (Local Investment Exhibitions and Expos)	i) Personal Emoluments and staff related costs.	
	Activity 2.2.1: Facilitate registration of investment projects	ii) Operational Costs	
	Activity 2.2.2.1: Undertake Aftercare industrial visitation to both domestic and foreign investors		
	Activity 2.2.2.2: Conduct an investors' symposium		
	Activity 2.3.1: Facilitate the declaration of new MFEZs and IPs and provide technical support in the development of the Zones		
	Activity 2.3.2: Undertake monitoring of MFEZs and Industrial Parks		
	Activity 3.1.1: Undertake Outward Trade Missions (Fairs and Expos)		
	Activity 3.1.2.1: Facilitate participation of exporters to international B2B fora (Fairs and Expos) (e.g. CIIE, India Soft, CIFIT, SVUM, Africa's Big Seven)		
	Activity 3.1.2.2: Conduct the Import-Export (IMPEX) Conference		
	Activity 3.1.3: Participate in Bilateral, Regional and International Trade Negotiations (SADC, COMESA, AFCETA, TFTA)		
	Activity 3.2.1.1: Conduct Export Readiness Training		
	Activity 3.2.1.2: Conduct industrial visitation, coaching and mentorship to the Top 20 exporters		
	Activity 3.2.2: Provide product development support		
	Activity 3.2.3: Facilitate linkage of Exporters to export financiers		
	Activity 3.2.4: Facilitate provision of electronic trade info.		
	Activity 4.1.1: Produce country export profiles for N8+1 export strategy		
	Activity 4.1.2: Produce NTE product profiles		
	Activity 4.1.3: Update and produce sector and industry sector profiles		
	Activity 4.1.4: Conduct a review of Cost of Doing Business in Zambia		
	Activity 4.1.5: Participate in the Private Capital Flows and Investor Perceptions Survey		
	Activity 4.1.6: Conduct a Customer Satisfaction Survey		
	Activity 4.2.1.1: Redesign and update the M&E system		
	Activity 4.2.1.2: Conduct enterprise performance monitoring		
	Activity 4.2.2: Conduct IPPA monitoring		

Activity Matrix		Means and Costs	Assumptions
Activities	Activity 4.2.3: Monitor implementation of Agency's interventions and results		
	Activity 4.2.4: Produce list of COR/Permits recommended for revocation/suspension		
	Activity 4.2.5: Produce ZDA reports (Quarterly Progress, Annual Report)		
	Activity 4.2.6.1: Facilitate production of ZDA annual workplan		
	Activity 4.2.6.2: Facilitate alignment of ZDA strategic plan and monitor its implementation		



## Appendix 2: Zambias International Rankings

Rank	Description	Source
13th	Africa Peace Index	Institute for Economics and Peace
20th	In Africa-most competitive economy	Global Economic Forum
71st	Global Peace Index	Institute for Economics and Peace
SD	Selective Default Credit Rating	S&P
RD	Restricted Default Credit Rating	Fitch
CCC	High risk of Default Credit Rating	Moody's
120 <sup>th</sup>	Global Competitiveness Index	World Economic Forum

**120<sup>th</sup>**

Global competitiveness Index

Source: World Economic Forum

**20<sup>th</sup>**

In Africa-most competitive economy

Source: Global Economic Forum

**13<sup>th</sup>**

Africa Peace Index

Source: Institute for Economics and Peace

**71<sup>st</sup>**

Global Peace Index

Source: Institute for Economics and Peace

**CCC**

High risk of Default Credit Rating

Source: Moody's

**SD**

Selective Default Credit Rating

Source: S&P

**RD**

Restricted Default Credit Rating

Source: S&P

## 2021 ANNUAL REPORT TECHNICAL VALIDATION TEAM







# Audited Financial Statements

ZAMBIA DEVELOPMENT AGENCY REPORT AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31ST DECEMBER 2021



# Appendix 3: Audited Financial Statements

ZAMBIA DEVELOPMENT AGENCY REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2021

## REPORT OF THE DIRECTORS

The Directors present their report on the activities of Zambia Development Agency (ZDA) for the year ended 31 December 2021.

### 1. The ZDA

The ZDA was established by an Act of Parliament through the ZDA Act No 11 of 2006.

### 2. Principal function

The Agency's principal function is to promote trade and investment in Zambia through an efficient, effective and coordinated private sector led economic development strategy.

### 3. Results

The Agency's results for the year are as follows:

	2021	2020
	ZMW	ZMW
Revenue	30,115,610	27,250,083
Deficit for the year	(5,738,155)	(5,733,029)

### 4. Directors and Secretary

The Directors and Secretary who served during the year are as follows:

Bishop David M Masupa	Private Business Person – Chairperson (Appointed 17th December 2020)
Bishop David M Masupa	Private Business Person – Chairperson (Appointment revoked on 23rd September 2021)
Mrs. Rabecca Katowa	Zambia Chamber of Commerce and Industry – Interim Chairperson (Appointed on 23rd September 2021)
Mrs. Rabecca Katowa	Zambia Chamber of Commerce and Industry – Interim Chairperson (Appointment revoked through dissolution on 29th October 2021)
Ms. Chisoma Lombe	Private Business Person – Vice Chairperson (Appointment revoked through dissolution on 29th October 2021)
Mr. Mushuma Mulenga	Permanent Secretary – Ministry of Commerce, Trade and Industry (Appointment revoked through dissolution on 29th October 2021)
Mr. Chanda Kaziya	Permanent Secretary – Ministry of Labour and Social Security (Appointment revoked through dissolution on 29th October 2021)
Mr. Mukali Chikuba	Permanent Secretary – Ministry of Finance (Appointment revoked through dissolution on 29th October 2021)
Mr. Jobbbick Kalumba	Permanent Secretary – Ministry of General Education (Appointment revoked through dissolution on 29th October 2021)
Mr. Songowayo Zyambo	Permanent Secretary- Ministry of Agriculture (Appointment revoked through dissolution on 29th October 2021)
Mr. Barnaby Mulenga	Permanent Secretary – Ministry of Mines (Appointment revoked through dissolution on 29th October 2021)
Mr. Likando Kalaluka Sc	Attorney General – Ministry of Justice (Appointment revoked through dissolution on 29th October 2021)
Mrs. Chiwego Z Chileshe	Zambia Association of Manufacturers (Appointment revoked through dissolution on 29th October 2021)
Mr. Coster Mwaba	Private Business Person (Appointment revoked through dissolution on 29th October 2021)
<b>Secretary</b>	
Mrs. Theresa L-Kampata	Board Secretary

## 5. Management

The management of the ZDA was as follows:

Mr. Albert Halwampa	Acting Director General (Appointed 29th September, 2021)
Mr. M Makasa	Director General (Resigned 30th December, 2021)
Mrs. T.L. Kampata	Board Secretary and Legal Counsel
Ms. C Chilambwe	Acting Director Finance and Administration
Mr. Albert Halwampa	Director Export Development
Mrs. J Chombo	Director Investments
Mr. G Musentekwa	Director Enterprise Development
Mr. I Melu	Director Policy and Planning

## 6. Employees

The average number of persons employed by the Agency during the year was 61 (2020: 62). The total employees' remuneration paid by ZDA was ZMW 26,795,348 (2020: ZMW 25,659,367).

## 7. Donations

ZDA did not make any donations during the year (2020: ZMW Nil).

## 8. Property, plant and equipment

Additions to Property, plant and equipment in the year amounted to ZMW 125,875 (2020: ZMW 119,594). In the opinion of the directors, the fair values of Property, plant and equipment are not less than the amounts at which they are included in the financial statements.

## 9. Other material facts, circumstances and events

The directors are not aware of any material fact, circumstance or event which occurred between the accounting date and the date of this report which might influence an assessment of ZDA's financial position or the results of its operations.

## 10. Annual financial statements

The annual financial statements on pages 7 to 29 have been approved by the Directors.



By order of the Board  
Board Secretary

Lusaka  
Date:

# Statement Of Directors' Responsibilities

The Zambia Development Agency Act requires the Directors to prepare financial statements for each financial year which give a true and fair view of the financial position of Zambia Development Agency (ZDA) and of its financial performance and its cash flows for the year then ended. In preparing such financial statements, the Directors are responsible for:

- designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
- selecting appropriate accounting policies and applying them consistently;
- making judgments and accounting estimates that are reasonable in the circumstances; and
- preparing the financial statements in accordance with the applicable financial reporting framework, and on the going concern basis unless it is inappropriate to presume that the ZDA will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the ZDA and enable them to ensure that the financial statements comply with the Zambia Development Agency Act, No. 11 of 2006 of the Laws of Zambia. They are also responsible for safeguarding the assets of the ZDA and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that in their opinion

- a. The financial statements give a true and fair view of the financial position of Zambia Development Agency as of 31 December 2021, and of its financial performance and its cash flows for the year then ended;
- b. At the date of this statement there are reasonable grounds to believe that ZDA will be able to pay its debts as and when these fall due; and
- c. The financial statements are drawn up in accordance with International Financial Reporting Standards.

This statement is made in accordance with a resolution of the Board of Directors.

Signed at Lusaka on



**PERMANENT SECRETARY**



**DIRECTOR**





## Audit - Advisory - Tax

### REPORT OF THE INDEPENDENT AUDITORS TO THE ZAMBIA DEVELOPMENT AGENCY BOARD OF DIRECTORS REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### OPINION

We have audited the financial statements of Zambia Development Agency which comprise the statement of financial position as at 31 December 2021, and the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the Agency's financial statements give a true and fair view of the financial position of the Agency as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Agency in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Zambia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Zambia Development Agency Act No. 11 of 2006, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Agency or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Agency's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Agency's ability to

continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements, or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Agency to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including significant deficiencies in internal control that we identify during our audit.

#### **Report on Other Legal and Regulatory Requirements**

In our opinion, the financial statements of Zambia Development Agency as at 31 December 2021 have been properly prepared in accordance with the Zambia Development Agency Act No. 11 of 2006 of the Laws of Zambia and the accounting and other records and registers have been properly kept in accordance with the Acts.



CHARTERED ACCOUNTANTS



WINSTON KASONGO (AUD/F003127)

NAME OF PARTNER SIGNING ON BEHALF OF THE FIRM

LUSAKA

DATE

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021	2020
		ZMW	ZMW
Revenue			
GRZ and other revenue grants	5	27,000,000	26,058,120
Other income	6	6,838,612	5,721,229
Total revenue		33,838,612	31,779,349
GRZ Control 99 deposits	6	(3,723,002)	(4,529,266)
Net Revenue		30,115,610	27,250,083
Staff costs	7	(26,795,348)	(25,659,367)
Depreciation	7	(347,882)	(1,066,464)
Other operating expenses		(8,710,535)	(6,257,281)
Deficit before taxation		(5,738,155)	(5,733,029)
Income tax expense	8	-	-
Deficit for the year		(5,738,155)	(5,733,029)
Other comprehensive income		-	-
Comprehensive Deficit for the year		(5,738,155)	(5,733,029)



## STATEMENT OF CHANGES IN FUNDS FOR THE YEAR ENDED 31 DECEMBER 2021

	Revaluation Reserve	Accumulated deficit	Contributed reserves	Total
	ZMW	ZMW	ZMW	ZMW
At 1 January 2020	3,375,982	(158,232,222)	24,336,863	(130,519,377)
Prior year PAYE adjustment	-	14,115,967	-	14,115,967
Restated balances	3,375,982	(144,115,255)	24,336,563	(116,403,410)
Asset Disposal	(159,900)			(159,900)
Comprehensive deficit for the year	-	(5,733,029)	-	(5,733,029)
At 31 December 2020	3,216,082	(149,849,284)	24,336,863	(122,296,339)
Comprehensive deficit for the year	-	(5,738,155)	-	(5,738,155)
At 31 December 2021	3,216,082	(155,587,439)	24,336,863	(128,034,494)

## STATEMENT OF FINANCIAL POSITION - 31 DECEMBER 2021

	Note	2021	2020
		ZMW	ZMW
<b>ASSETS</b>			
Non-current assets			
Property, plant and equipment	9	4,466,528	4,647,415
Intangible Assets	10	41,121	82,241
		4,507,649	4,729,656
<b>Current assets</b>			
Inventory	11	229,222	241,873
Trade and other receivables	12	507,982	335,826
ZDA - cash and cash equivalents	13	1,884,464	1,056,739
Escrow – cash and cash equivalent	13	2,034	3,358,933
		2,623,702	4,993,371
<b>Total assets</b>		7,131,351	9,723,027
<b>RESERVES AND LIABILITIES</b>			
Funds and reserves			
Contributed reserves	14	24,336,863	24,336,863
Revaluation reserve	pg 8	3,216,082	3,216,082
Accumulated deficit	pg 8	(155,587,439)	(149,849,284)
		(128,034,494)	(122,296,339)
<b>Non-Current liabilities</b>			
Obligation under finance leases	15	-	-
<b>Current liabilities</b>			
Trade and other payables	16	135,165,845	132,019,366
		135,165,845	132,019,366
<b>Total reserves and liabilities</b>		7,131,351	9,723,027

The financial statements on pages 7 to 27 were approved by the Board of Directors on ..... and were signed on its behalf by



PERMANENT SECRETARY



ACTING DIRECTOR GENERAL

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021	2020
		ZMW	ZMW
<b>Cash flows from operating activities</b>			
Deficit for the year		(5,738,155)	(5,733,029)
Depreciation		347,882	1,066,464
Interest expense		-	2,843
Profit on disposal		-	(94,733)
(Increase)/Decrease in inventory		12,651	48,785
(Increase)/Decrease in trade and other receivables		(172,157)	220,383
(Decrease) / Increase in trade and other payables		3,146,480	(14,671,711)
Net cash outflow) operating activities		(2,403,299)	(19,160,998)
<b>Investing activities</b>			
Purchase of property, plant and equipment		(125,875)	(119,594)
Purchase of Intangible		-	(2,843)
Interest expense		-	145,055
Net cash (used on) from/(on) investing activities		(125,875)	_22,617
<b>Financing activities</b>			
PAYE paid by MOF		-	14,115,966
Motor vehicle lease payments	15	-	(108,634)
Net cash from financing activities		-	14,007,333)
Decrease in cash and cash equivalents		(2,529,174)	(5,131,048)
Cash and cash equivalents at beginning of the year		4,415,672	9,546,720
Cash and cash equivalents at end of the year	12	1,886,498	4,415,672
Represented by:			
Bank balances		1,884,464	1,056,739
Escrow accounts		2,034	3,358,933
Cash in hand and at bank		1,886,498	4,415,672



## NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

### 1. Activities

- a) The Zambia Development Agency (ZDA) was established by an Act of Parliament, the Zambia Development Agency (ZDA) Act to promote trade and investment in Zambia through an efficient, effective and coordinated private sector economic development strategy.
- b) The ZDA Act repealed the following Acts:
  - Investment Act;
  - Small Enterprise Development Act;
  - Export Processing Zones Act
  - Export Development Act.
- c) From the commencement of the Zambia Development Agency (ZDA) Act the statutory officers or bodies (appropriate authorities) that were vested or bestowed with functions and powers under the repealed Acts only existed for the purpose of winding up their affairs. By virtue of the ZDA Act, rights and obligations of the appropriate authorities were transferred to, vested in and subsisted all assets, against the agency.
- d) The assets and liabilities taken over from predecessor institutions have been incorporated in the books of accounts based on the statements of affairs (SOAs) prepared at the closure of these institutions. The SOAs were prepared based on information deduced from various documents and management and directors representations. At the time the four runner institutions merged in 2006 audit reports for these institutions were not up to date.

### 2. Basis of preparing the financial statements - going concern basis

During the year, the Agency recorded a deficit of ZMW 5,738,155 and net current liabilities of ZMW 132,542,143.00. The Agency meets its day to day working capital requirements from government grants and some donor grants.

The financial statements have been prepared on a going concern basis which assumes that the Agency will continue in operational existence for the foreseeable future.

The validity of this assumption depends on continued receipt of grants from the Government of the Republic of Zambia. The Government of the Republic of Zambia as a guarantor, through the Ministry of Finance, will continue to fund the Agency a statutory body established by an Act of Parliament, to meet its funding requirements.

If the Agency were unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reduce the statement of financial position values of assets to their recoverable amounts, to provide for further liabilities that might arise and to reclassify property, plant and equipment as current assets.

The directors have reviewed the effects of the matters mentioned above and believe that it is appropriate for the financial statements to be prepared on a going concern basis.

### 3. Principal accounting policies

The principal accounting policies applied by ZDA in the preparation of these financial statements are set out below:

#### a) Basis of presentation

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements are presented in accordance with IAS 1 “presentation of financial statements” (Revised 2007). The Agency has elected to present the “Statement of Comprehensive Income” in one statement the “Statement of Comprehensive Income”. They have been prepared under the historic cost convention, as modified by the revaluation of financial assets and liabilities at fair value as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Agency’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3(n).

## b) New and revised standards that are effective for annual periods beginning on or after 1 January 2021

Title	Key requirements	Effective date*
<b>Covid-19-related Rent Concessions – Amendments to IFRS 16</b>	<p>As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. In May 2020, the IASB made an amendment to IFRS 16 Leases which provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concessions as variable lease payments in the period in which they are granted.</p> <p>Entities applying the practical expedients must disclose this fact, whether the expedient has been applied to all qualifying rent concessions or, if not, information about the nature of the contracts to which it has been applied, as well as the amount recognised in profit or loss arising from the rent concessions.</p> <p>* The relief was originally limited to reduction in lease payments that were due on or before 30 June 2021. However, the IASB subsequently extended this date to 30 June 2022.</p> <p>If a lessee already applied the original practical expedient, it is required to continue to apply it consistently, to all lease contracts with similar characteristics and in similar circumstances, using the subsequent amendment. If a lessee did not apply the original practical expedient to eligible lease concessions, it is prohibited from applying the expedient in the 2021 amendment.</p> <p>However, if a lessee has not yet established an accounting policy on applying (or not) the practical expedient to eligible lease concessions, it can still decide to do so.</p>	1 June 2020/ 1 April 2021 *
<b>Interest Rate Benchmark Reform Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16</b>	<p>In August 2020, the IASB made amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 to address the issues that arise during the reform of an interest rate benchmark rate, including the replacement of one benchmark with an alternative one.</p> <p>The Phase 2 amendments provide the following reliefs:</p> <ul style="list-style-type: none"> <li>■ When changing the basis for determining contractual cash flows for financial assets and liabilities (including lease liabilities), the reliefs have the effect that the changes, that are necessary as a direct consequence of IBOR reform and which are considered economically equivalent, will not result in an immediate gain or loss in the income statement.</li> <li>■ The hedge accounting reliefs will allow most IAS 39 or IFRS 9 hedge relationships that are directly affected by IBOR reform to continue. However, additional ineffectiveness might need to be recorded.</li> <li>■ Affected entities need to disclose information about the nature and extent of risks arising from IBOR reform to which the entity is exposed, how the entity manages those risks, and the entity's progress in completing the transition to alternative benchmark rates and how it is managing the transition.</li> </ul> <p>Given the pervasive nature of IBOR-based contracts, the reliefs could affect companies in all industries.</p>	

Title	Key requirements	Effective date*
<b>IFRS 17 Insurance Contracts</b>	<p>IFRS 17 was issued in May 2017 as replacement for IFRS 4 Insurance Contracts. It requires a current measurement model where estimates are remeasured in each reporting period. Contracts are measured using the building blocks of:</p> <ul style="list-style-type: none"> <li>■ discounted probability-weighted cash flows</li> <li>■ an explicit risk adjustment, and</li> <li>■ a contractual service margin (CSM) representing the un-earned profit of the contract which is recognised as revenue over the coverage period.</li> </ul> <p>The standard allows a choice between recognising changes in discount rates either in the statement of profit or loss or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under IFRS 9.</p> <p>An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers.</p> <p>There is a modification of the general measurement model called the 'variable fee approach' for certain contracts written by life insurers where policyholders share in the returns from underlying items. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the CSM. The results of insurers using this model are therefore likely to be less volatile than under the general model.</p> <p>The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features.</p> <p>Targeted amendments made in July 2020 aimed to ease the implementation of the standard by reducing implementation costs and making it easier for entities to explain the results from applying IFRS 17 to investors and others. The amendments also deferred the application date of IFRS 17 to 1 January 2023.</p>	<p>1 January 2023 (deferred from 1 January 2021)</p>
<b>Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 16</b>	<p>The amendment to IAS 16 Property, Plant and Equipment (PP&amp;E) prohibits an entity from deducting from the cost of an item of PP&amp;E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment.</p> <p>Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.</p>	<p>1 January 2022</p>



Title	Key requirements	Effective date*
<b>Reference to the Conceptual Framework – Amendments to IFRS 3</b>	Minor amendments were made to IFRS 3 Business Combinations to update the references to the Conceptual Framework for Financial Reporting and add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and Interpretation 21 Levies. The amendments also confirm that contingent assets should not be recognised at the acquisition date.	1 January 2022
<b>Onerous Contracts – Cost of Fulfilling a Contract Amendments to IAS 37</b>	The amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract.	1 January 2022
<b>Annual Improvements to IFRS Standards 2018–2020</b>	<p>The following improvements were finalised in May 2020:</p> <ul style="list-style-type: none"> <li>■ IFRS 9 Financial Instruments – clarifies which fees should be included in the 10% test for derecognition of financial liabilities.</li> <li>■ IFRS 16 Leases – amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives.</li> <li>■ IFRS 1 First-time Adoption of International Financial Reporting Standards – allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent's books to also measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption.</li> <li>■ IAS 41 Agriculture – removal of the requirement for entities to exclude cash flows for taxation when measuring fair value under IAS 41. This amendment is intended to align with the requirement in the standard to discount cash flows on a post-tax basis.</li> </ul>	1 January 2022
<b>Classification of Liabilities as Current or Non-current – Amendments to IAS 1</b>	<p>The narrow-scope amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability.</p> <p>The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.</p> <p>They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.</p>	1 January 2023 (deferred from 1 January 2022)

Title	Key requirements	Effective date*
<b>Disclosure of Accounting Policies</b> <b>– Amendments to IAS 1 and IFRS Practice Statement 2</b>	<p>The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what ‘material accounting policy information’ is and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.</p> <p>To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.</p>	1 January 2023
<b>Definition of Accounting Estimates</b> <b>– Amendments to IAS 8</b>	<p>The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.</p>	1 January 2023
<b>Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12</b>	<p>The amendments to IAS 12 Income Taxes require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.</p> <p>The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:</p> <ul style="list-style-type: none"> <li>■ Right-of-use assets and lease liabilities, and</li> <li>■ Decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.</li> </ul> <p>The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate.</p> <p>IAS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.</p>	1 January 2023

Title	Key requirements	Effective date*
Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28	<p>The IASB has made limited scope amendments to IFRS 10 Consolidated financial statements and IAS 28 Investments in associates and joint ventures.</p> <p>The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. They confirm that the accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a 'business' (as defined in IFRS 3 Business Combinations).</p> <p>Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor's interests in the associate or joint venture. The amendments apply prospectively.</p> <p>** In December 2015 the IASB decided to defer the application date of this amendment until such time as the IASB has finalised its research project on the equity method.</p>	n/a **

#### a) Revenue

##### (i) Grants

Government grants are accounted for when there is reasonable assurance that ZDA will comply with the conditions attached to them and that the grants will be received. Grants that relate to specific capital expenditure are treated as capital grants which are then amortised through the statement of comprehensive income over the related asset's useful life. Other grants are credited to the statement of comprehensive income in the period in which they are received.

##### (ii) Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as deemed appropriate, only when it is probable that future economic benefits associated with the item will flow to ZDA and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation is calculated to write off the cost of property, plant and equipment on a straight line basis over the expected useful lives of the assets concerned. The principal annual rates used for this purpose are:

	%
Leasehold land and buildings	2
Motor vehicles	25
Computer Hardware	33.3
Office Equipment	30
Office Furniture and fittings	20

Land and capital work in progress are not depreciated.

The assets' residual values and useful lives are reviewed at each reporting date and adjusted as appropriate.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds to the carrying amount. These are included in the statement of comprehensive income in the other operating income. When revalued assets are sold, the amounts included in the revaluation surplus relating to these assets are transferred to retained earnings.



## b) Financial assets

### Classification

ZDA classifies its investments into the following categories: financial assets at fair value through profit or loss, trade and other receivables, held-to-maturity financial assets and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired.

Management determines the classification of its investments at initial recognition and re-evaluate this at every reporting date.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the corporation has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The corporation reclassifies debt investments when and only when its business model for managing those assets changes.

## c) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the corporation commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the corporation has transferred substantially all the risks and rewards of ownership.

## d) Measurements

At initial recognition, the corporation measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

## e) Equity instruments

The corporation subsequently measures all equity investments at fair value. Where the corporation's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the corporation's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

## f) Financial assets

### Impairment

The corporation assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the corporation applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see note 7(b) for further details.

## g) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**h) Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments and balances held with banks. Bank overdrafts that are repayable on demand are included as a component of cash and cash equivalents.

**i) Borrowing costs**

Borrowing costs, being interest payable on loans, are accounted for on an accruals basis. Transaction costs arising on arranging a new financial liability are debited to the liability and amortised over the life of that liability. Borrowing costs are charged to the statement of comprehensive income for the year in which they are incurred.

**j) Interest bearing liabilities**

Short term interest bearing liabilities include all amounts expected to be repayable within twelve months from the reporting date, including instalments due on loans of longer duration. Long term interest bearing liabilities represent all amounts repayable more than twelve months from the reporting date.

**k) Foreign currencies****i. Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which ZDA operates (the 'functional currency'). The financial statements are presented in Zambian Kwacha, which is ZDA's presentation currency.

**ii. Transactions and balances**

Foreign currency transactions are translated into the functional currency using the rates of exchange prevailing at the date of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

**l) Employee benefits****i. Provision for retirement benefits**

The pension plan is with National Pension Scheme Authority (NAPSA) where ZDA pays an amount equal to the employee's contributions. Employees contribute 5% of their gross earnings. Gratuity is payable at 35% of Basic salary over the contract period.

**ii. Provisions for leave pay**

Provision for leave pay is made in respect of all staff. Leave days are provided for up to the maximum leave days allowed under the conditions of service.

**m) Trade and other payables**

Trade and other payables are stated at cost.

**n) Provisions**

Provisions are recognised when: ZDA has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

**o) Critical accounting estimates and judgments**

ZDA makes estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements. Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the process of applying ZDA's accounting policies, management has made judgments in determining:

- i. The classification of financial assets;
- ii. Whether assets are impaired;
- iii. Estimation of provision and accruals; and
- iv. Recoverability of trade and other receivables.

#### 4. Management of financial risk

##### a) Financial risk

ZDA is exposed to a range of financial risks through its financial assets. The most important component of this financial risk is credit risk.

##### i. Credit risk

ZDA has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Key area where the ZDA is exposed to credit risk is trade and other receivables.

##### ii. Accumulated Fund management

ZDA's objective when managing the Fund is to safeguard ZDA's ability to continue as a going concern so that it can continue to provide benefits to stakeholders. ZDA's Fund is supported by grants from the Government of the Republic of Zambia (GRZ) and some donors.

#### 5. GRZ and other revenue grants

	2021	2020
	ZMW	ZMW
GRZ revenue grants	27,000,000	26,058,120

GRZ grants represent amounts received monthly.

#### 6. Other income

Donor Funds	2,802,798	909,036
Exchange Gain/ (Loss)	(42,375)	(31,076)
Proceeds on Asset Disposal	68,785	94,733
Rebate fees	20,030	7,840
Rental income	242,242	200,306
Sales of tender documents	2,500	7,500
Sundry income	21,630	3,624
	3,115,610	1,191,963
Income received on behalf of Government		
Licensing fees	3,690,974	3,869,841
Processing fees	31,995	648,435
Processing fees SMEs	33	10,990
	3,723,002	4,529,266
Total Other Income	6,838,612	5,721,229

According to the Public Finance Management Act 2018 all funds received on behalf of the Government must be deposited in the Government bank account, control99. In the year under review K3, 723,002 was collected and deposited in control.

#### 7. Surplus/ (Deficit)

Deficit is stated after charging:	2021	2020
	ZMW	ZMW
Audit fees	60,784	60,784
Depreciation	347,882	1,066,464
Directors emoluments	532,553	534,555
Interest payable	-	2,843
Staff costs	26,795,348	25,659,367



## 8. Taxation

ZDA is exempt from taxation under Section 15 of the Income Tax Act Cap 323 of the Laws of Zambia and in accordance with paragraph 5 Part III of the Second Schedule of the same Act.

## 9. Property, plant and equipment

a) (Summary)

	Leasehold Land and Buildings	Motor vehicles	Furnitures, fixtures & fittings	Office Equipment	Computer Hardware	Work in Progress	Total
Cost or valuation	ZMW	ZMW	ZMW	ZMW	ZMW	ZMW	ZMW
At 1 January 2020	5,330,742	4,619,769	1,427,027	1,106,976	1,279,702	104,052	13,868,261
Additions	-	-	16,743	10,200	92,650	-	119,594
Transfer	-	-	104,052	-	-	(104,052)	
Disposal	(195,000)	(967,025)	-	-	-	-	(1,162,025)
At 31st December 2020	5,135,742 3,652,744	1,547,822	1,117,171	1,372,352	- 12,825,831		
Additions	-	-	6,585	15,250	104,040		125,875
Disposals	-	(458,568)	-	-	-		(458,568)
At 31st December 2021	5,135,742	3,194,176	1,554,407	1,132,421	1,476,392	-	12,493,138
Depreciation							
At 1 January 2020	805,309	3,900,432	1,182,847	1,022,618	1,193,666	-	8,104,813
Charge for the year	105,614	652,199	130,164	75,745	61,622	-	1,025,344
Disposals	(35,100)	(916,703)	-	-	-	-	(951,742)
At 31st December 2020	875,823	3,635,927	1,313,012	1,098,364	1,255,289	-	8,178,415
Charge for the year	100,316	16,817	114,830	12,969	61,831	-	306,763
Disposals	-	(458,568)	-	-	-	-	(458,568)
31 December 2021	976,139	3,194,176	1,427,842	1,111,333	1,317,120	-	8,026,610
Net book value							
At 31 December 2020	4,259,919	16,816	234,810	18,807	117,063	-	4,647,415
At 31 December 2021	4,159,603	-	126,565	21,088	159,272	-	4,466,528

- b) In 2011 the Agency's property, plant and equipment were revalued by a Board of Survey of the Government of the Republic of Zambia.  
c) The Agency now has title to all properties in the financial statements.  
d) In the opinion of the directors, the carrying values of property, plant and equipment stated above are not higher than their fair values.  
e) Land and Buildings not in the ZDA asset register due to questionable ownership are shown in schedule 2.

#### 10. Intangible Assets (Computer Software)

	2021	2020
	ZMW	ZMW
As at start of the year	82,241	123,361
Amortization	(41,120)	(41,120)
At the end of the year	41,121	82,241

#### 11. Inventories

Office Consumables	229,222	241,873
	229,222	241,873

#### 12. Trade and other receivables

Trade receivables	8,429,582	8,429,582
Less: Provision for impairment losses	(8,429,582)	(8,429,582)
Staff advances	126,163	192,173
Other receivables and prepayments	381,819	143,654
	507,982	335,826
Analysis of impairment losses		
At the beginning of the year	8,429,582	8,429,582
At the end of the year	8,429,582	8,429,582

#### 13. Cash and cash equivalents

Bank and cash balances	1,884,464	1,056,739
Escrow accounts (note i)	2,034	3,358,933
	1,886,498	4,415,672
<b>Analysis of the Escrow bank balances</b>		
ZDA ZMW Escrow-ZANACO	-	610
USD Escrow – ZANACO	2,034	3,867
Zamtel USD Escrow- Barclays Bank	-	3,354,456
	2,034	3,358,933
Movement in the escrow account balances		
Balance at 1 January 2020	3,358,933	7,719,335
Exchange gain	(474,721)	1,315,277
Payments and bank charges	(2,882,178)	(5,675,679)
Balance at 31st December 2020	2,034	3,358,933

#### 14. Contributed reserves

	2021	2020
	ZMW	ZMW
At beginning of the year	24,336,863	24,336,863
At the end of the year	24,336,863	24,336,863

Based on guidance from the Attorney General and subsequent ZDA Board approval, the Agency wrote off predecessor liabilities amounting to K54, 903, 127 as statute barred.

By virtue of the ZDA Act, the assets and liabilities and all rights and obligations of the former Zambia Privatisation Agency, Zambia Investment Centre, Small Enterprises Development Board, Export Board of Zambia and Zambia Export Processing Zones Authority were transferred to, vested in and subsisted against the Agency. The net difference between the values of assets and liabilities has been carried as contributed reserves.

a. An initial amount of ZMW48, 134,624 was recognised as deficit in contributed reserves which represented the net amount of the assets and liabilities transferred from the predecessor institutions in 2007. This balance has been further reduced by adjustments after further confirming the confirmed balances brought forward by ZMW169, 698 in 2017 (2016: ZMW235, 239).

b. A reconciliation of the assets and liabilities that were taken over from the predecessor institution is stated below:-

	Balances Taken over	Current Balance	Change
	ZMW	ZMW	ZMW
Trade and other receivables	1,718,766	1,718,766	-
Trade and other payables	(5,544,505)	(480,196)	(5,064,309)
	(3,825,739)	(1,238,570)	(5,064,309)

(i) The Current balance of the Trade and other receivables and Trade and other payables are included in the Statement of Financial Position as detailed on notes 10 and 14 respectively.

(ii) Property, plant and equipment transferred to the agency from predecessor institutions were brought in the agency's books at a net book value of ZMW6,018,000 (cost of ZMW8,987,000 less accumulated depreciation of ZMW2,969,000) at the time of transfer. In the absence of adequate information we were unable to verify whether the assets and liabilities transferred from the predecessor institutions and the related contributed reserves are fairly stated.

The revaluation surplus represents the revaluation of Agency property, plant and equipment in 2011 by the Board of Survey.

#### 15. Obligation under finance Leases

	2021	2020
	ZMW	ZMW
Opening balance	-	108,634
Repayment during the year	-	(108,634)
Lease obligation due at 31 December	-	-
Payable within twelve months	-	-
Repayable after 12 months	-	-
	-	-

The finance lease relates to the purchase of a total of ten motor vehicles with terms of 36 months. The first six were acquired in 2016 and the other four in 2017. The obligations under finance leases are secured by the lessor's absolute ownership over the leased assets comprehensively insured with the Bank's interest noted as first loss payee.

On 01 June 2016, the Agency in its capacity as borrower, entered into a K2, 313,028 finance lease with Investrust Plc Bank Zambia Limited as lender. This lease was made available to finance the purchase of 5 motor vehicles.

Interest is set at the Bank of Zambia Policy rate plus 19 percent payable monthly in arrears.

On 01 December 2016 and 7th February 2017, the Agency in its capacity as borrower, entered into a K417,051 and K1,774,219 respectively representing a total K2, 191,270 finance lease with Zanaco Plc Bank Zambia Limited as lender. This lease was made available to finance the purchase of 5 motor vehicles.

Interest is set at the Bank of Zambia Policy rate plus 19.5 percent payable monthly in arrears.

By way of security, the Agency has provided a fixed charge over the financed vehicles.

## 16. Trade and other payables

	2021	2020
	ZMW	ZMW
Trade payables	1,207,186	485,180
Provision and Accruals	39,527,441	36,628,246
Privatisation Proceeds	93,951,023	94,425,744
Predecessor payables	480,196	480,196
	135,165,846	132,019,366

## 17. Financial assets and liabilities

### Financial assets

ZDA's principal financial assets are bank balances and cash and trade and other receivables. ZDA maintains its bank accounts with major banks in Zambia of high credit standing. Trade and other receivables amounts are reduced by appropriate allowances for estimated irrecoverable amounts.

### Financial liabilities

ZDA's financial liabilities are employee liabilities, accounts payable and motor vehicle lease. Financial liabilities are classified according to the substance of the contractual arrangements entered into. Accounts payable are stated at cost.

#### a. Price risk

##### (i) Currency risk

ZDA's currency risk is low as it does not hold any foreign currency denominated liability.

##### (ii) Interest rate risk

Financial assets are not exposed to the risk that their value will fluctuate due to changes in market interest rates.

##### (iii) Market risk

ZDA is not exposed to the risk of the value of its financial assets fluctuating as a result of changes in market prices.

#### b. Credit risk

##### (i) Trade debtors

The Directors believe the credit risk of trade debtors is low. Except for the balances taken from the predecessor institutions where the risk is high.

#### c. Liquidity risk

ZDA is not believed to be exposed to significant liquidity risk, being inability to sell financial assets quickly at close to their fair value.

#### d. Cash flow risk

ZDA is exposed to the risk that future cash flows associated with monetary financial instruments will fluctuate in amount.

#### e. Fair values

At the reporting date the carrying values of financial instruments reported in the financial statements approximate their fair value.



## 18. Fair value measurement

### Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability.

The Agency does not have Financial Instruments which could be ranked under hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 31 December 2020, 31 December 2019 and 31st December 2018.

### Fair value measurement of non-financial assets

The following table shows the Levels within the hierarchy of non-financial assets measured at fair value on a recurring basis at 31st December 2021, 31 December 2020 and 31st December 2019:

	Level 1	Level 2	Level 3	Total
	ZMW	ZMW	ZMW	ZMW
31st December 2021				
Property, plant and equipment				
Land held in Zambia	-	155,000	-	155,000
Office building in Zambia	-	5,175,741	-	5,175,841
	-	5,330,741	-	5,330,741
31st December 2020				
Property, plant and equipment				
Land held in Zambia	-	155,000	-	155,000
Office building in Zambia	-	5,175,741	-	5,175,841
	-	5,330,741	-	5,330,741
31 December 2019				
Property, plant and equipment:				
Land held in Zambia	-	155,000	-	155,000
Office building in Zambia	-	5,175,741	-	5,175,741
	-	5,330,741	-	5,330,741

Fair value of the Agency's main property assets is estimated based on appraisals performed by independent, professionally-qualified property values, the Board of Survey, a team of experts appointed by Ministry of Finance. The significant inputs and assumptions are developed in close consultation with management. The valuation processes and fair value changes are reviewed by the board of directors and audit committee at each reporting date.

## 19. Related party transactions

The following transactions were carried out with related parties:

	2021	2020
	ZMW	ZMW
(i) Key management compensation Salaries and other short term benefits	4,155,446	1,984,591
(ii) Directors' remuneration Fees for service as a director	532,953	534,555

## 20. Contingent liabilities

- (i) Contingent liabilities not provided for in these financial statements are estimated at ZMW Nil at 31 December 2021 (2020: ZMW Nil). In January 2012, the sale of ZAMTEL to Lap Green of Libya was reversed. The likely impact on the Financial Statements is limited to the remaining balance on the proceeds of the sale held in the Escrow Accounts.

## 21. Previous year's amounts

Previous year's amounts have been restated or reclassified where necessary to facilitate comparison.

## 22. Events subsequent to reporting date

There has not arisen since the end of the financial year any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Agency, to affect substantially the operations of ZDA, the results of those operations or the state of affairs of ZDA in subsequent financial years.

## SCHEDULE 1

### DETAILED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	ZMW	ZMW
<b>INCOME</b>		
GRZ and other revenue grants	27,000,000	26,058,120
Cooperating Partner Funds	2,802,798	909,036
Other Income	4,035,814	4,812,193
Total income	33,838,612	31,779,349
GRZ Fees Deposited in Control 99	3,723,002	4,529,266
	30,115,610	27,250,083
<b>EXPENDITURE</b>		
Audit fee	60,784	60,784
Bank charge	49,569	44,835
Depreciation	347,882	1,066,464
Electricity and Water	308,440	320,678
Insurance	1,062,505	943,883
Motor Vehicle Expenses, Fuel & other lubricants	386,365	239,642
Newspapers and Periodicals	-	72,140
Improve Service delivery	17,320	10,400
Office Consumables /Printing and Stationery	370,963	448,414
Cleaning and Sanitation	309,435	327,448
Penalties and Interest	68,865	409,347
Postage, Telephone and Fax	47,605	30,040
Publicity and Marketing	192,278	152,647
Repairs and Maintenance	329,113	215,804
Salaries and Wages	26,795,348	25,659,367
Security	312,968	264,480
Staff Recruitment	55,257	128,354
Subscription	403,908	64,896
Provision for Doubtful Debts	127,450	-
Staff Welfare	12,550	50,462
Settlement of Court Cases & legal	2,145	175,357
Workmen's Compensation	16,100	11,763
ZDA Meeting Expenses	91,810	77,105
ZDA Directors Emoluments (Board)	532,953	534,555
Enterprise development activities	1,161,753	7,880
Investment promotion activities	298,648	329,339
System Assurance and Risk Management	8,180	-
Export Market Development activities	1,701,047	357,077
Information & technology activities	580,066	773,038
Fire Services & Fire Drill	-	2,000
Research, policy & planning activities	181,339	169,867
Decentralization of ZDA Services to Regions	21,120	35,045
Total expenses	35,853,765	32,983,112
Deficit for the year	(5,738,155)	(5,733,029)

## SCHEDULE 2

### LAND AND BUILDINGS UNDER AGENCY CONTROL BUT NOT IN THE ASSET REGISTER

Description/Location	Cost
Plot No 1693 - Chipata	400,000
Plot No F 09 - Chipata	50,000
Plot No L3897 - Kabwe	50,000
Premises - Kabwe	535,000
Plot No L2650 - Livingstone	85,000
Plot No 98 - Mansa	75,600
Plot No 1611 - Mongu	262,600
A342 of Lot 28473/M – Silverest Garden Lusaka	991,650
A244 of Lot 28473/M – Silverest Garden Lusaka	682,500
A245 of Lot 28473/M – Silverest Garden Lusaka	682,500
	3,814,850







